

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF KENTUCKY	)	
POWER COMPANY FOR (1) APPROVAL OF	)	
ITS REVISED TERMS AND CONDITIONS OF	)	CASE NO.
SERVICE IMPLEMENTING NEW BILL	)	2017-00231
FORMATS; (2) AN ORDER GRANTING ALL	)	
OTHER REQUIRED APPROVALS AND RELIEF	)	

ORDER

On June 12, 2017, Kentucky Power Company (“Kentucky Power”) filed an application requesting approval to revise its tariffs to implement new bill formats. On July 12, 2017, Kentucky Power filed its application in Case No. 2017-00179<sup>1</sup> requesting, among other things, approval to increase its electric rates. Because the determination in Case No. 2017-00179 could have a bearing on the issues raised in the instant matter, the Commission finds that this matter should be combined into Case No. 2017-00179 pursuant to 807 KAR 5:001, Section 4(14).<sup>2</sup>

IT IS HEREBY ORDERED that:

1. Pursuant to 807 KAR 5:001, Section 4(14), Case No. 2017-00231 shall be

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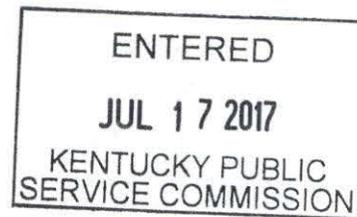
<sup>1</sup> Case No. 2017-00179, *Electronic Application of Kentucky Power Company for (1) A General Adjustment of its Rates for Electric Service; (2) An Order Approving its 2017 Environmental Compliance Plan; (3) An Order Approving its Tariffs and Riders; (4) An Order Approving Accounting Practices to Establish Regulatory Assets and Liabilities; and (5) An Order Granting All Other Required Approvals and Relief* (Application filed June 12, 2017).

<sup>2</sup> The Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention (“AG”), is the only intervenor in the instant matter. The AG is also an intervenor in Case No. 2017-00179.

physically consolidated into Case No. 2017-00179 for the purpose of further investigating the issues raised therein.

2. Case No. 2017-00231 is closed and removed from the Commission's docket.

By the Commission



ATTEST:

A handwritten signature in blue ink, appearing to read "John S. Poyner", written over a horizontal line.

Acting Executive Director

Case No. 2017-00231



COMMONWEALTH OF KENTUCKY  
OFFICE OF THE ATTORNEY GENERAL

ANDY BESHEAR  
ATTORNEY GENERAL

CAPITOL BUILDING, SUITE 118  
700 CAPITOL AVENUE  
FRANKFORT, KY 40601  
(502) 696-5300  
FAX: (502) 564-2894

***VIA ELECTRONIC FILING***

July 13, 2017

Mr. John Lyons, Acting Executive  
Director  
Public Service Commission  
211 Sower Boulevard  
Frankfort, Kentucky 40601

**In Re: Electronic Application of Kentucky Power Co. for Approval of its Revised Terms and Conditions of Service Implementing New Bill Formats, etc., Case No. 2017-00231**

Dear Mr.Lyons:

The Attorney General submits this cover letter for his electronic filing in this case, serving as the Read1st introductory file. The filing is his Motion to Consolidate Cases. In accordance with 807 KAR 5:001 § 8, Counsel certifies that the electronically filed documents are a true representation of the original paper document(s) being hand delivered to the Commission no later than the second day after this electronic filing, that all materials in the paper documents are included in the electronic filing, and that no party has been excused from participation by electronic service. The Attorney General is filing with the Commission one paper original of the entire filing.

Should you have any questions, please feel free to contact me at your convenience.

Yours very truly,

Lawrence W. Cook  
Assistant Attorney General

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

Electronic Application of Kentucky Power	)	
Company for (1) Approval of its Revised Terms	)	Case No.: 2017-00231
and Conditions of Service Implementing New	)	
Bill Formats; (2) an Order Granting All Other	)	
Required Approvals and Relief	)	

ATTORNEY GENERAL'S MOTION TO CONSOLIDATE CASES

Comes now the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention (the "Attorney General"), pursuant to 807 KAR 5:001 § 5, and hereby moves the Kentucky Public Service Commission (the "Commission") for an Order consolidating this case with Kentucky Power Company ("KPCo")'s pending base rate case, Case No. 2017-00179 (the "rate case"). In support of this Motion, the Attorney General states as follows:

1. The Commission would be doing a disservice to KPCo customers, and to itself, by hearing this case and the rate case separately. While KPCo may argue that the rate case should be separate from these AEP-wide administrative changes to the bill format, the Kentucky jurisdictional matters are, nevertheless, inextricably linked. The Attorney General's focus is on the consumers and their inherent right to transparency in furtherance of better understanding the rates and the line items on their bills. A consolidated case presents the opportunity for improved communication, cooperation, and involvement among the utility, its customers, and the Commission. Including the bill format changes in the pending rate case provides a known avenue for these customers to understand and comment on the correlation between the presentation of bills and the fairness of the rates therein. This additional

involvement by customers and the consolidation of interrelated issues will better help the Commission determine whether both proposals—the bill format changes and the proposed rates—are fair, just, and reasonable when considered in concert with each other.

2. There is no statutory requirement which requires the Commission to decide the above-styled case within a specific timeframe.

3. The issues that are raised in the present case, namely bill formatting and specific revisions to terms and conditions, overlap with the issues in the rate case, where the simplification of KPCo's bills is discussed, as is updating and revising KPCo's terms and conditions of service.<sup>1</sup>

4. Furthermore, the issues in each case overlap to such a degree as to present similar questions of fact.<sup>2</sup> In this case, KPCo says customers' "most frequent complaint about the bill format was the number of line items appearing on the bill."<sup>3</sup> However, survey data from 2014 included in the filing shows that the lowest marks for customer satisfaction with KPCo are in the categories of Fairness of Pricing and Total Monthly Cost of Electric Service.<sup>4</sup> Such responses demonstrate the importance customers place on transparency in the calculation of rates, and how clearly the utility explains that process to them.

5. If the Commission were to approve the relief requested in this case before considering the issues of the rate case, it would only serve to increase customer confusion as to how the new bill design would depict the new rates. In a recent final order, in Case No.

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<sup>1</sup> See Case No. 2017-00179, *Kentucky Power Company Application*, Page 10, Paragraph 17(j); Page 17, Paragraph 40; Pages 19-20, Paragraph 45; Pages 20-21, Paragraph 48; Case No. 2017-00231, *Application*, Section III, *Direct Testimony of Stephen L. Sharp, Jr.*, Pages 2, 19; *Exhibit SLS-1*.

<sup>2</sup> 807 KAR 5:001 § 4(14).

<sup>3</sup> Case No. 2017-00231, *Application*, Section III, *Direct Testimony of Stephen L. Sharp, Jr.*, Page 5.

<sup>4</sup> See Case No. 2017-00231, *Application*, Section III, *Direct Testimony of Stephen L. Sharp, Jr.*, *Exhibit SLS-1*.

2017-00115,<sup>5</sup> the Commission stressed the importance of the utility continuing to educate its customers on issues including how to evaluate pricing information and whether they are saving money by participating in certain programs. The Commission ordered the utility to send quarterly bill inserts to customers in addition to pursuing additional means of education, thereby promoting ongoing and effective transparency.<sup>6</sup>

6. The Attorney General submits that in order for the Commission to be able to adequately address the present issues of transparency in billing and rates, as well as KPCo's requested relief in the context of these overlapping issues, this case and the rate case must be decided concurrently. Thus, in light of this interdependence of the issues in each case, good cause exists to grant the Attorney General's requested relief to consolidate the cases, pursuant to 807 KAR 5:001 § 4(14).

7. In the application for Case No. 2017-00239, KPCo asked the Commission for a final order approving the changes to its bill formatting, and terms and conditions, by September 15, 2017 in order to allow for programming changes and systems testing before the full implementation of the new bill design occurs in December 2017.<sup>7</sup> However, the Commission retains the ability to issue an interlocutory order, if it so chooses, to grant the requested relief by this proposed deadline.

8. Consolidating the cases will provide for much greater judicial economy in avoiding duplicative work, while the rights of the parties or the public interest will not be prejudiced by such action. Any perceived cost to KPCo by delaying the approval of its new bill formatting is mitigated by the Commission's ability to issue an interlocutory order by the

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<sup>5</sup> Case No. 2017-00115, *Tariff Filing of Columbia Gas of Kentucky, Inc. to Extend its Small Volume Gas Transportation Service* (Ky. PSC Jun. 19, 2017).

<sup>6</sup> *Id.* at 5.

<sup>7</sup> Case No. 2017-00231, *Application, Section III, Direct Testimony of Stephen L. Sharp, Jr., Page 9.*

requested deadline. The public interest is served through avoiding separate and possibly contradictory orders in such similar cases. Finally, the Attorney General believes that the Commission will be able to produce a more comprehensive final order regarding the merits of each case, with a fairer outcome to all parties, if they are heard as one consolidated matter.

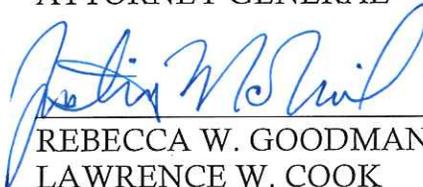
WHEREFORE, the Attorney General respectfully requests that the Commission enter an Order:

1. Consolidating this case with Kentucky Power Company, Case No. 2017-00179.
2. Granting all other relief to which one or more of the Parties may appear entitled.

This 13<sup>th</sup> day of July, 2017.

Respectfully submitted,

ANDY BESHEAR  
ATTORNEY GENERAL



---

REBECCA W. GOODMAN  
LAWRENCE W. COOK  
KENT A. CHANDLER  
JUSTIN M. McNEIL  
ASSISTANT ATTORNEYS GENERAL  
700 CAPITOL AVENUE  
SUITE 20  
FRANKFORT, KY 40601  
(502) 696-5453  
FAX: (502) 573-8315  
[Rebecca.Goodman@ky.gov](mailto:Rebecca.Goodman@ky.gov)  
[Larry.Cook@ky.gov](mailto:Larry.Cook@ky.gov)  
[Kent.Chandler@ky.gov](mailto:Kent.Chandler@ky.gov)  
[Justin.McNeil@ky.gov](mailto:Justin.McNeil@ky.gov)

*Certificate of Service and Filing*

Counsel certifies that the foregoing is a true and accurate copy of the same document being filed in paper medium with the Commission within two business days; that the electronic filing has been transmitted to the Commission on July 13<sup>th</sup>, 2017; and that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding.

This 13<sup>th</sup> day of July, 2017.

  
Assistant Attorney General

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF KENTUCKY	)	
POWER COMPANY FOR (1) APPROVAL OF	)	
ITS REVISED TERMS AND CONDITIONS OF	)	CASE NO.
SERVICE IMPLEMENTING NEW BILL	)	2017-00231
FORMATS; (2) AN ORDER GRANTING ALL	)	
OTHER REQUIRED APPROVALS AND RELIEF	)	

ORDER

This matter arises upon the motion of the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention ("Attorney General"), filed June 15, 2017, pursuant to KRS 367.150(8), for full intervention. Such intervention is authorized by statute. The Commission, being otherwise sufficiently advised, finds that the motion should be granted.

IT IS HEREBY ORDERED that:

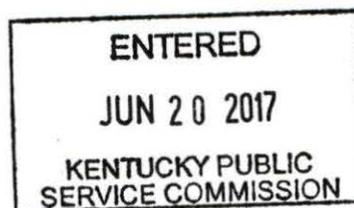
1. The motion of the Attorney General to intervene is granted.
2. The Attorney General shall be entitled to the full rights of a party and shall be served with the Commission's Orders and with filed testimony, exhibits, pleadings, correspondence, and all other documents submitted by parties after the date of this Order.
3. The Attorney General shall comply with all provisions of the Commission's regulations, 807 KAR 5:001, Section 8, related to the service and electronic filing of documents.

4. Pursuant to 807 KAR 5:001, Section 8(9), within seven days of entry of this Order, the Attorney General shall file a written statement with the Commission that:

a. Certifies that it, or its agent, possesses the facilities to receive electronic transmissions; and

b. Sets forth the electronic mail address to which all electronic notices and messages related to this proceeding should be served.

By the Commission



ATTEST:

  
Executive Director

\*Justin M. McNeil  
Office of the Attorney General Office of Rate  
700 Capitol Avenue  
Suite 20  
Frankfort, KENTUCKY 40601-8204

\*Rebecca W Goodman  
Assistant Attorney General  
Office of the Attorney General Office of Rate  
700 Capitol Avenue  
Suite 20  
Frankfort, KENTUCKY 40601-8204

\*Kent Chandler  
Assistant Attorney General  
Office of the Attorney General Office of Rate  
700 Capitol Avenue  
Suite 20  
Frankfort, KENTUCKY 40601-8204

\*Kentucky Power Company  
855 Central Avenue, Suite 200  
Ashland, KY 41101

\*Kentucky Power Company  
Kentucky Power Company  
855 Central Avenue, Suite 200  
Ashland, KY 41101

\*Kenneth J Gish, Jr.  
Stites & Harbison  
250 West Main Street, Suite 2300  
Lexington, KENTUCKY 40507

\*Larry Cook  
Assistant Attorney General  
Office of the Attorney General Office of Rate  
700 Capitol Avenue  
Suite 20  
Frankfort, KENTUCKY 40601-8204

\*Honorable Mark R Overstreet  
Attorney at Law  
Stites & Harbison  
421 West Main Street  
P. O. Box 634  
Frankfort, KENTUCKY 40602-0634



COMMONWEALTH OF KENTUCKY  
OFFICE OF THE ATTORNEY GENERAL

ANDY BESHEAR  
ATTORNEY GENERAL

CAPITOL BUILDING, SUITE 118  
700 CAPITOL AVENUE  
FRANKFORT, KY 40601  
(502) 696-5300  
FAX: (502) 564-2894

*VIA ELECTRONIC FILING*

June 15, 2017

Dr. Talina R. Mathews, Executive Director  
Public Service Commission  
211 Sower Boulevard  
Frankfort, Kentucky 40601

**In Re: Electronic Application of Kentucky Power Co. for: (1) Approval of its Revised Terms and Conditions of Service Implementing New Bill Formats; and (2) an Order Granting All Other Required Approvals and Relief; Case No. 2017-00231**

Dear Dr. Mathews:

The Attorney General submits this cover letter for his electronic filing in this case, serving as the Read1st introductory file. The filing is his Motion to Intervene and Notice of Waiver of Service by U.S. Mail. In accordance with 807 KAR 5:001 § 8, Counsel certifies that the electronically filed documents are a true representation of the original paper document(s) being hand delivered to the Commission no later than the second day after this electronic filing, that all materials in the paper documents are included in the electronic filing, and that no party has been excused from participation by electronic service. The Attorney General is filing with the Commission one paper original of the entire filing.

Should you have any questions, please feel free to contact me at your convenience.

Yours very truly,

Lawrence W. Cook  
Assistant Attorney General

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

Electronic Application of Kentucky Power	)	
Company for (1) Approval of its Revised Terms	)	CASE No.
and Conditions of Service Implementing New	)	2017-00231
Bill Formats; (2) an Order Granting All Other	)	
Required Approvals and Relief	)	

ATTORNEY GENERAL'S MOTION TO INTERVENE AND  
NOTICE OF WAIVER OF SERVICE BY U.S. MAIL

Comes now the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention, and pursuant to KRS 367.150(8), which grants him the right and obligation to appear before regulatory bodies of the Commonwealth of Kentucky to represent consumers' interests, hereby moves the Public Service Commission to grant him full intervenor status in this action pursuant to 807 KAR 5:001(8).

Pursuant to 807 KAR 5:001 § 8(9), the Attorney General provides notice that in the event the Commission grants his Motion to Intervene, he waives any right to service of Commission orders via U.S. Mail; and certifies that: (a) the Office of the Attorney General and its agents are capable of receiving electronic transmissions; and (b) the electronic email addresses to which all electronic notices and messages related to the above-styled proceeding should be served are:

[Rebecca.Goodman@ky.gov](mailto:Rebecca.Goodman@ky.gov)  
[Larry.Cook@ky.gov](mailto:Larry.Cook@ky.gov)  
[Kent.Chandler@ky.gov](mailto:Kent.Chandler@ky.gov)  
[Justin.McNeil@ky.gov](mailto:Justin.McNeil@ky.gov)

Respectfully submitted,

ANDY BESHEAR  
ATTORNEY GENERAL



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REBECCA W. GOODMAN  
LAWRENCE W. COOK  
KENT A. CHANDLER  
JUSTIN M. McNEIL  
ASSISTANT ATTORNEYS GENERAL  
700 CAPITOL AVENUE  
SUITE 20  
FRANKFORT KY 40601  
(502) 696-5453  
FAX: (502) 573-8315  
[Rebecca.Goodman@ky.gov](mailto:Rebecca.Goodman@ky.gov)  
[Larry.Cook@ky.gov](mailto:Larry.Cook@ky.gov)  
[Kent.Chandler@ky.gov](mailto:Kent.Chandler@ky.gov)  
[Justin.McNeil@ky.gov](mailto:Justin.McNeil@ky.gov)

***Certificate of Service and Filing***

Counsel certifies that the foregoing is a true and accurate copy of the same document being filed in paper medium with the Commission within two business days; that the electronic filing has been transmitted to the Commission on June 15, 2017; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding.

This 15<sup>th</sup> day of June, 2017.



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Assistant Attorney General

June 12, 2017

**ELECTRONICALLY FILED**

Mark R. Overstreet  
(502) 209-1219  
(502) 223-4387 FAX  
moverstreet@stites.com

Dr. Talina R. Mathews  
Executive Director  
Public Service Commission  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, KY 40602-0615

RE: Case No. 2017-00231

Dear Dr. Mathews:

This letter constitutes the Read1st file required by 807 KAR 5:001, Section 8(5).

(a) General Description of the Filing – Kentucky Power Company is electronically filing today the following materials:

- (i) The Read1st file required by 807 KAR 5:001, Section 8(5); and
- (ii) Verification of the Testimony of Stephen L. Sharp.

(b) Materials Not Included In The Electronic Filing – Kentucky Power is filing in paper or CD format only:

(i) The paper medium copy of the electronic mail message required to be filed by 807 KAR 5:001, Section 8(5)(a).

(c) Attestation – The electronically-filed documents are a true representation of the original documents.

(d) Service – There are no other parties to this proceeding.

(e) Other Matters – None.

Dr. Talina R. Mathews  
June 12, 2017  
Page 2

Very truly yours,

A handwritten signature in blue ink, consisting of a large, stylized 'M' followed by 'R. Overstreet' in a cursive script.

Mark R. Overstreet

MRO



June 12, 2017

**ELECTRONICALLY FILED**

Dr. Talina R. Mathews  
Executive Director  
Public Service Commission  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, KY 40602-0615

Mark R. Overstreet  
(502) 209-1219  
(502) 223-4387 FAX  
moverstreet@stites.com

RE: Case No. 2017-00231

Dear Dr. Mathews:

This letter constitutes the Read1st file required by 807 KAR 5:001, Section 8(5).

(a) General Description of the Filing – Kentucky Power Company is electronically filing today the following materials:

- (i) The Read1st file required by 807 KAR 5:001, Section 8(5);
- (ii) Kentucky Power Company's application and exhibits; and
- (iii) Testimony of Stephen L. Sharp and exhibits.

(b) Materials Not Included In The Electronic Filing – Kentucky Power is filing in paper or CD format only:

(i) The paper medium copy of the electronic mail message required to be filed by 807 KAR 5:001, Section 8(5)(a).

(c) Attestation – The electronically-filed documents are a true representation of the original documents.

(d) Service – There are no other parties to this proceeding.

(e) Other Matters – None.

Dr. Talina R. Mathews  
June 12, 2017  
Page 2

Very truly yours,  
  
Mark R. Overstreet

MRO

**COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

Electronic Application Of Kentucky Power	)	
Company For (1) Approval Of Its Revised Terms	)	
And Conditions Of Service Implementing New Bill	)	Case No. 2017-00231
Formats; (2) An Order Granting All Other	)	
Required Approvals And Relief	)	

**APPLICATION**

Kentucky Power Company applies to the Public Service Commission of Kentucky pursuant to 807 KAR 5:001, Section 14, 807 KAR 5:006, Section 7, and 807 KAR 5:011, and any other applicable statutes and regulations, for an order granting: (1) approval of the revisions to Sheet 2-12 through Sheet 2-17 of the Company's Terms and Conditions of Service implementing new bill formats; and (2) all other required approvals and relief. In support of its Application, the Company states:

A. INFORMATION REGARDING THE APPLICANT.

1. The applicant's full name and post office address is: Kentucky Power Company, 855 Central Avenue, Suite 200, Ashland, Kentucky 41101.<sup>1</sup> The Company's electronic mail address is [kentucky\\_regulatory\\_services@aep.com](mailto:kentucky_regulatory_services@aep.com).

2. Kentucky Power is a corporation organized on July 21, 1919 under the laws of the Commonwealth of Kentucky. The Company is in good standing in Kentucky.<sup>2</sup>

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<sup>1</sup> Kentucky Power's Regulatory Services office is located at 101A Enterprise Drive, P.O. Box 5190, Frankfort, Kentucky 40602-5190.

<sup>2</sup> A certified copy of the Company's Articles of Incorporation and all amendments thereto was attached to the Joint Application in *In the Matter Of: The Joint Application Of Kentucky Power Company, American Electric Power Company, Inc. And Central And South West Corporation Regarding A Proposed Merger*, P.S.C. Case No. 99-149. The Company's June 2, 2017 Certificate of Existence is filed as **EXHIBIT 1** to this Application.

3. Kentucky Power Company is a public utility principally engaged in the provision of electricity to Kentucky consumers. The Company generates and purchases electricity which it distributes and sells at retail to approximately 168,000 retail customers located in all, or portions of, the Counties of Boyd, Breathitt, Carter, Clay, Elliott, Floyd, Greenup, Johnson, Knott, Lawrence, Leslie, Letcher, Lewis, Magoffin, Martin, Morgan, Owsley, Perry, Pike, and Rowan. The Company also furnishes electric service at wholesale to the City of Olive Hill and the City of Vanceburg.

4. Kentucky Power is a direct, wholly-owned subsidiary of American Electric Power Company, Inc. ("AEP").

B. PROPOSED REVISIONS TO KENTUCKY POWER'S BILL FORMAT.

5. Beginning April 2015 Kentucky Power and the other AEP operating companies initiated a review of their billing correspondence. The review sought to determine what information customers most wanted on their billing correspondence and in what format customers wanted the information presented.

6. Kentucky Power also met with customers beginning in late 2016 across its service territory regarding their billing and other concerns.

7. Kentucky Power's current residential bill individually calculates and displays up to 15 separate charges:

- (a) Rate Billing
- (b) Fuel Adjustment Clause
- (c) Demand-Side Management Adjustment Factor
- (d) Residential Home Energy Assistance Program Charge
- (e) Kentucky Economic Development Surcharge
- (f) Capacity Charge
- (g) Big Sandy 1 Operation Rider

- (h) Environmental Surcharge
- (i) Big Sandy Retirement Rider
- (j) Purchased Power Adjustment
- (k) Green Pricing Option
- (l) School Tax
- (m) Franchise Fee
- (n) State Sales Tax
- (o) HomeServe Warranty

Commercial and industrial customer bills contain up to 13 billing line items.

8. The billing correspondence redesign consists of two parts. First, Kentucky Power proposes to combine certain of the billing line items that now appear on its billing correspondence into a single line item denominated "Rate Billing." Second, Kentucky Power and the other AEP operating companies are redesigning their billing correspondence to present the information on the billing correspondence in a more easily located fashion by using a more understandable format.

(a) Combination Of Billing Line Items

9. The Company proposes to combine certain residential billing line items so that the existing 15 residential customer billing correspondence line items will be reduced to no more than eight billing line items. Specifically, Kentucky Power proposes to combine Rate Billing, the Residential Home Energy Assistance Program Charge, the Kentucky Economic Development Surcharge, the Capacity Charge, the Big Sandy 1 Operation Rider, the Big Sandy Retirement Rider, the Purchased Power Adjustment, and the Green Pricing Option (if applicable) into a single "Rate Billing" line item. The Fuel Adjustment Clause, the Demand-Side Management Factor, the Environmental Surcharge, School Tax (if applicable), Franchise Fee (if applicable), State Sales Tax (if applicable), and HomeServe Warranty program charges (if applicable) will continue to be displayed as individual billing line items.

10. The Home Energy Assistance Program and HomeServe Warranty program charges are not applicable to commercial and industrial customers and currently do not appear on billing correspondence issued to these customers. With this exception, Kentucky Power proposes to combine line items on the billing correspondence issued to Kentucky Power's commercial and industrial customers in the same fashion as they will be combined on residential customer billing correspondence. The Fuel Adjustment Clause, the Demand-Side Management Factor (if applicable), the Environmental Surcharge, School Tax (if applicable), Franchise Fee (if applicable), State Sales Tax (if applicable), will continue to be displayed as individual billing line items.

11. Kentucky Power is combining line items on its billing correspondence in specific response to concerns raised by the Company's customers. Kentucky Power's customers indicated that the number of billing line items was unhelpful and rendered the Company's billing correspondence difficult to understand. Customers asked the Company to simplify the presentation of charges on the Company's bills.

12. The billing line item detail varies among the AEP operating companies. Kentucky Power is proposing to combine the identified billing line items in response to the concerns voiced by its customers.

(b) Revised Billing Format

13. Kentucky Power, in conjunction with the other AEP operating companies, also proposes to improve the layout and composition of its billing correspondence to:

- Enhance the presentation of the information displayed in the bill.
- Give the bill a clean and more easily useable appearance.

- Make it easier for customers to identify and understand the information presented.

The new format is less cluttered and the use of color makes identifying important information easier.

14. Mock-up billing forms for residential, commercial ( Small General Service), and industrial (Large General Service) customers are filed as EXHIBITS 2-4 of this application.

C. REGULATORY COMPLIANCE.

15. The revised billing format contains the information required by 807 KAR 5:006, Section 7(1)(a).

16. 807 KAR 5:006, Section 7(1)(a)(9) requires that “each bill for utility service issued periodically by a utility shall clearly show” “adjustments, if applicable.” Kentucky Power’s revised billing format displays as individual line items the following adjustments: Fuel Adjustment Clause, Environmental Surcharge, Demand-Side Management Factor, as well as any applicable charges for School Taxes, State Sales Taxes, and Franchise Fees. In addition, to the extent applicable, charges for the HomeServe Home Warranty program will continue to be displayed individually as a “below-the-line” charge on residential customer billing correspondence.

17. To the extent the Residential Home Energy Assistance Program Charge, the Kentucky Economic Development Surcharge, the Capacity Charge, the Big Sandy 1 Operation Rider, the Big Sandy Retirement Rider, the Purchased Power Adjustment, and the Green Pricing Option (if applicable), which will be combined with the Rate Billing Charge, constitute “adjustments” within the meaning of 807 KAR 5:006, Section 7(1)(a)(9), Kentucky Power requests leave pursuant to 807 KAR 5:006, Section 28 to deviate from the regulation’s

requirements. Bill simplification and meeting the requests of the Company's customers to reduce the number of billing line items constitute good cause for the requested deviation.

D. TESTIMONY.

18. Kentucky Power's application is supported by the testimony of Stephen L. Sharp.

E. REVISED TARIFF SHEETS 2-12 THROUGH 2-17.

19. Revised Tariff Sheets 2-12 through 2-17 implementing the proposed billing format changes are filed with this Application as EXHIBIT 5.

F. REQUESTED DATE FOR ORDER.

20. The new billing format is scheduled to be implemented December 1, 2017 by all AEP operating companies. Kentucky Power requests that the Commission issue its final Order in this proceeding no later than September 15, 2017. Doing so will provide sufficient time to implement and test the proposed IT and other changes prior to December 1, 2017.

21. Kentucky Power further requests that in the event the Company's application is granted that it be permitted to file its conforming tariff sheets coincident with the planned implementation of the changes on December 1, 2017 and that the new billing format be applicable to bills rendered on or after that date.

WHEREFORE, Kentucky Power Company respectfully requests the Kentucky Public Service Commission of Kentucky to enter an Order on or before September 15, 2017:

1. Approving revised Tariff Sheets 2-12 through 2-17;
2. Approving, to the extent required, the Company's modified billing format;
3. Granting to the extent required leave to deviate from the requirements of 807

KAR 5:006, Section 7(1)(a)(9);

4. Permitting Kentucky Power to file conforming tariff sheets on December 1, 2017; and
5. Granting such further relief to which the Company may be entitled.

Respectfully submitted,



Mark R. Overstreet  
Katie M. Glass  
STITES & HARBISON PLLC  
421 West Main Street  
P. O. Box 634  
Frankfort, Kentucky 40602-0634  
Telephone: (502) 223-3477  
Facsimile: (502) 223-4124  
[moverstreet@stites.com](mailto:moverstreet@stites.com)

Kenneth J. Gish, Jr.  
STITES & HARBISON PLLC  
250 West Main Street, Suite 2300  
Lexington, Kentucky 40507  
Telephone: (859) 226-2300  
Facsimile: (859) 253-9144  
[kgish@stites.com](mailto:kgish@stites.com)

COUNSEL FOR KENTUCKY POWER  
COMPANY

**Commonwealth of Kentucky**  
**Alison Lundergan Grimes, Secretary of State**

Alison Lundergan Grimes  
Secretary of State  
P. O. Box 718  
Frankfort, KY 40602-0718  
(502) 564-3490  
<http://www.sos.ky.gov>

**Certificate of Existence**

Authentication number: 190167  
Visit <https://app.sos.ky.gov/ftshow/certvalidate.aspx> to authenticate this certificate.

I, Alison Lundergan Grimes, Secretary of State of the Commonwealth of Kentucky, do hereby certify that according to the records in the Office of the Secretary of State,

**KENTUCKY POWER COMPANY**

is a corporation duly incorporated and existing under KRS Chapter 14A and KRS Chapter 271B, whose date of incorporation is July 21, 1919 and whose period of duration is perpetual.

I further certify that all fees and penalties owed to the Secretary of State have been paid; that Articles of Dissolution have not been filed; and that the most recent annual report required by KRS 14A.6-010 has been delivered to the Secretary of State.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal at Frankfort, Kentucky, this 2<sup>nd</sup> day of June, 2017, in the 226<sup>th</sup> year of the Commonwealth.



*Alison Lundergan Grimes*  
Alison Lundergan Grimes  
Secretary of State  
Commonwealth of Kentucky  
190167/0028317



PO Box 24410  
Canton, OH 44701-4410

Amount due on or before February 1, 2017 **\$776.03**

Your billing date is Jan 14, 2017  
Account #XXX-XXX-XXX-X-X

SERVICE ADDRESS: KPCC RESIDENTIAL CUSTOMER, 123 ANYWHERE CT, ANYWHERE, KY 12345-1234

CY 11



3085-1  
030003085 01 AV 0.373

KPCC RESIDENTIAL CUSTOMER  
123 ANYWHERE CT  
ANYWHERE, KY 12345-1234

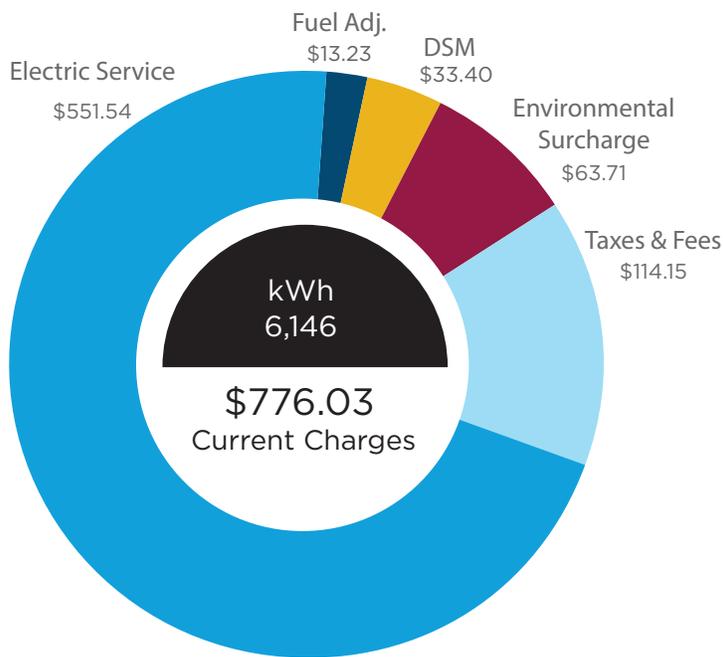


### Notes from Kentucky Power:

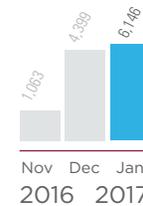
**Make this the last bill sent in the mail.** Gain more security and trust and Go Paperless to get an email notification when your bill is ready. Today is the Day! AEPPaperless.com

### Current bill summary:

Service from 12/12/16 - 01/13/17 (32 DAYS)



### Usage history (kWh):



### Methods of payment:

- kentuckypower.com
- PO Box 24410  
Canton, OH 44701-4410
- 1-800-611-0964 (\$2.95 fee)

### Need to get in touch?

Customer Operations Center: 1-800-572-1113

There's more information!

Thank you for your prompt payment. Please include your account number on your check and return this stub with your payment.

KPCC RESIDENTIAL CUSTOMER, 123 ANYWHERE CT, ANYWHERE, KY 12345-1234



Send inquiries to:  
PO Box 24410  
Canton, OH 44701-4710

77603  
Account #XXX-XXX-XXX-X-X

Amount due on or before February 1, 2017 **\$776.03**

Payment amount: \$

Pay \$814.83 After 02/01/17

Make check payable and send to:

American Electric Power  
PO Box 24410  
Canton, OH 44701-4410



0000135610000136210100000000000410039216920112312018900008



### Service Address:

3085-02

KPCO RESIDENTIAL CUSTOMER  
123 ANYWHERE CT  
ANYWHERE, KY 12345-1234

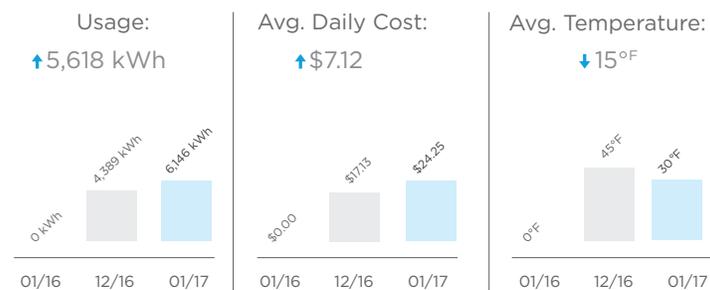
Account #XXX-XXX-XXX-X-X

### Line Item Charges:

Previous Charges	
Total Amount due at last billing	\$ 371.15
Payment 12/21/16 - Thank you	-371.15
<b>Previous Balance Due</b>	<b>\$ 0</b>
Current KPCO Charges	
Tariff 015 - Residential Service 01/13/17	
Rate Billing	\$ 551.54
Fuel Adj @ 0.0021534 Per kWh	13.23
DSM Adj @ 0.0054343 Per kWh	33.40
Environmental Surcharge 9.9045000%	63.71
School Tax	21.94
Franchise Fee	22.60
State Sales Tax	69.61
<b>Current Balance Due</b>	<b>\$ 776.03</b>
<b>Total Balance Due</b>	<b>\$ 776.03</b>

### Usage Details:

↑↓ Values reflect changes between current month and previous month.



Total usage for the past 12 months: 5,472 kWh  
Your average monthly usage: 2,736 kWh

### Meter Details:

Meter #123456789					
Prev.	Type	Current	Type	Metered	Usage
91461	Actual	97607	Actual	6,146	6,146 kWh
Service Period 12/12 - 01/13				Multiplier 1.00000	
Next scheduled read date should be between Feb 13 and Feb 16.					

### Notes from Kentucky Power:

**Make this the last bill sent in the mail.** Gain more security and trust and Go Paperless to get an email notification when your bill is ready. Today is the Day! AEPaperless.com.

**Worried that changes in the postal service may delay your bill or your payment?** Go paperless! You'll receive an email notification when your new bill is available for viewing. You'll also be able to pay online for free. Go to AEPaperless.com to enroll today!

Visit us at kentuckypower.com

Rates available on request

Paying by check authorizes us to send the information from your check electronically to your bank for payment. If your check is processed electronically, the transaction will appear on your bank statement, although your physical check will not be presented to your financial institution or returned to you. The original check will be destroyed after it is processed. This transaction will not enroll you in any automatic debit process and will only occur each time a check is received. Any re-submissions due to insufficient funds may also occur electronically. Please be aware that all checking transactions will remain secure in this check conversion program. If you have questions about this process or do not want your check to be converted, please contact our Customer Operations Center at the number printed on your bill.

KENTUCKY POWER COMPANY



PO Box 24410  
Canton, OH 44701-4410

Amount due on or before  
April 17, 2017

Exhibit 3  
Page 1 of 2  
**\$106.31**

Your billing date is Mar 31, 2017  
Account #123-456-789-0-1

SERVICE ADDRESS: KPCC SMALL GENERAL SERVICE CUSTOMER, 123 ANYWHERE CT, ANYWHERE, KY 12345-1234

CY 11



3085-1  
030003085 01 AV 0.373

KPCC SMALL GENERAL SERVICE CUSTOMER  
123 ANYWHERE CT  
ANYWHERE, KY 12345-1234

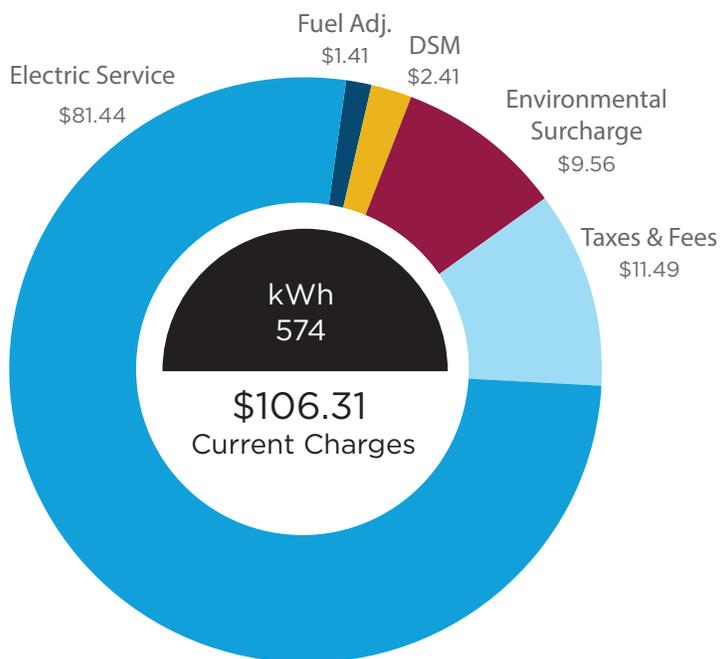


### Notes from Kentucky Power:

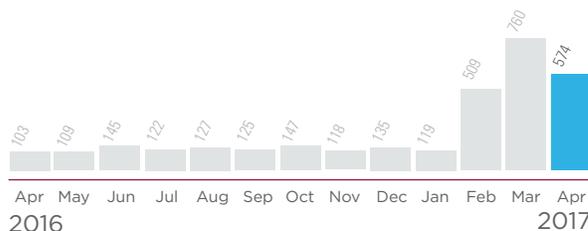
**Make this the last bill sent in the mail.** Gain more security and trust and go paperless to get an email notification when your bill is ready. Today is the day! [AEPPaperless.com](http://AEPPaperless.com)

### Current bill summary:

Service from 03/01/17 - 03/30/17 (30 days)



### Usage history (kWh):



### Methods of payment:

- [kentuckypower.com](http://kentuckypower.com)
- PO Box 24410  
Canton, OH 44701-4410
- 1-800-611-0964 (\$2.95 fee)

### Need to get in touch?

Customer Operations Center: 1-800-572-1113

Turn over for important information!

Thank you for your prompt payment. Please include your account number on your check and return this stub with your payment.

KPCC SMALL GENERAL SERVICE CUSTOMER, 123 ANYWHERE CT, ANYWHERE, KY 12345-1234



Send inquiries to:  
PO Box 24410  
Canton, OH 44701-4710

77603  
Account #123-456-789-0-1

Amount due on or before  
April 17, 2017

**\$106.31**

Payment amount: \$

Pay \$111.63 After 04/17/17

Make check payable and send to:

American Electric Power  
PO Box 24410  
Canton, OH 44701-4410



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## Notes from Kentucky Power:

**Make this the last bill sent in the mail.** Gain more security and trust and Go Paperless to get an email notification when your bill is ready. Today is the Day! [AEPpaperless.com](http://AEPpaperless.com).

**Stealing copper is illegal** and can have deadly consequences. **Reporting copper theft** could save a life, so if you have any information, **please call 1-866-747-5845**

### Service Address:

3085-2

KPCO SMALL GENERAL SERVICE CUSTOMER  
123 ANYWHERE CT  
ANYWHERE, KY 12345-1234

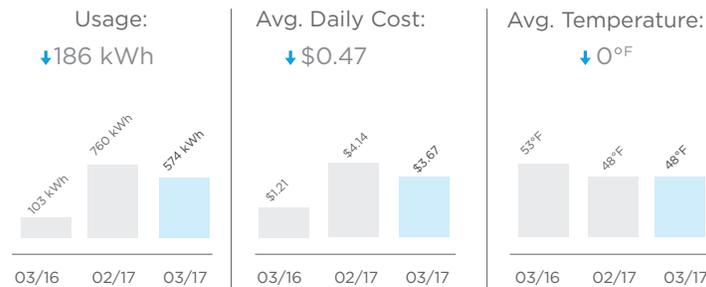
**Account #123-456-789-0-1**

### Line Item Charges:

Previous Charges		
Total Amount due at last billing	\$	124.15
Payment 03/14/17 - Thank You		-124.15
<b>Previous Balance Due</b>	<b>\$</b>	<b>0</b>
Current KPCO Charges		
<b>Tariff 211 - Small General Service 03/30/17</b>		
Rate Billing	\$	81.44
Fuel Adj @ 0.0024696 Per kWh		1.41
DSM Adj @ 0.0042060 Per kWh		2.41
Environmental Surcharge 13.1119000%		9.71
School Tax		4.81
Franchise Fee		2.56
State Sales Tax		3.97
<b>Current Balance Due</b>	<b>\$</b>	<b>106.31</b>
<b>Total Balance Due</b>	<b>\$</b>	<b>106.31</b>

### Usage Details:

↑↓ Values reflect changes between current month and previous month.



Total usage for the past 12 months: 2,519 kWh  
Your average monthly usage: 210 kWh

### Meter Details:

Meter #123456789					
Previous	Type	Current	Type	Metered	Usage
33192	Actual	33766	Actual	574	574 kWh
Service Period 03/01 - 03/30				Multiplier 1.00000	
Next scheduled read date should be between Apr 27 and May 2.					



PO Box 24410  
Canton, OH 44701-4410

Amount due on or before February 20, 2017 **\$4,669.15**

Your billing date is Feb 2, 2017  
Account #123-456-789-0-1

SERVICE ADDRESS: KPCC LARGE GENERAL SERVICE CUSTOMER, 123 ANYWHERE CT, ANYWHERE, KY 12345-1234

CY 03



2435-2

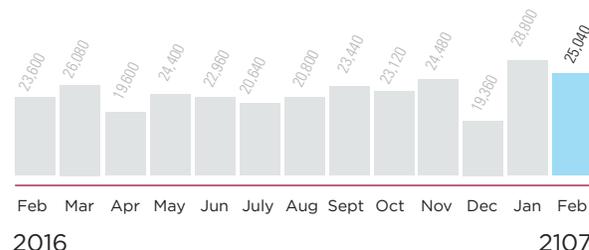
KPCC LARGE GENERAL SERVICE CUSTOMER  
123 ANYWHERE CT  
ANYWHERE, KY 12345-1234



**Notes from Kentucky Power:**

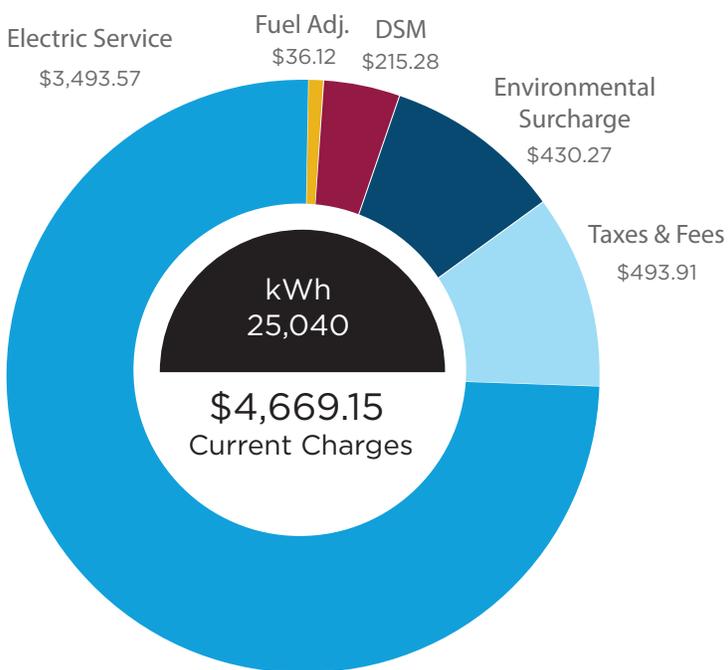
**Make this the last bill sent in the mail.** Gain more security and trust and Go Paperless to get an email notification when your bill is ready. Today is the Day! AEPPaperless.com

**Usage history (kWh):**



**Current bill summary:**

Service from 01/03/17 - 02/01/17 (28 days)



**Methods of payment:**

- kentuckypower.com
- PO Box 24410  
Canton, OH 44701-4410
- 1-800-611-0964 (\$2.95 fee)

**Need to get in touch?**

Customer Operations Center: 1-800-572-1113

There's more information!

Thank you for your prompt payment. Please include your account number on your check and return this stub with your payment.

KPCC LARGE GENERAL SERVICE CUSTOMER, 123 ANYWHERE CT, ANYWHERE, KY 12345-1234



Send inquiries to:  
PO Box 24410  
Canton, OH 44701-4710

466915

Account #123-456-789-0-1

Amount due on or before February 20, 2017 **\$4,669.15**

Payment amount: \$

\$4,902.61 After 02/20/17

Make check payable and send to:  
American Electric Power  
PO Box 24410  
Canton, OH 44701-4410



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### Service Address:

2435-2  
KPCO LARGE GENERAL SERVICE CUSTOMER  
123 ANYWHERE CT  
ANYWHERE, KY 12345-1234

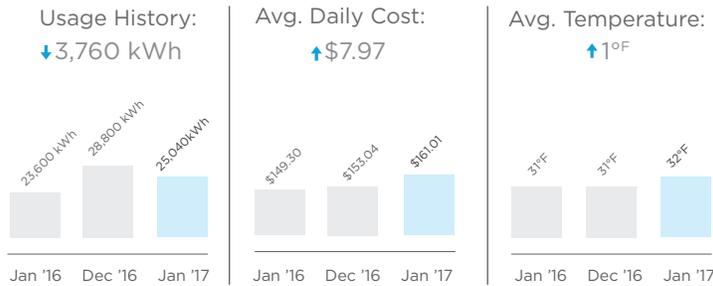
Account #123-456-789-0-1

### Line Item Charges:

Previous Charges	
Total Amount due at last billing	\$ 5,203.34
Payment 01/16/17 - Thank You	-5,203.34
<b>Previous Balance Due</b>	<b>\$ 0</b>
Current KPCO Charges	
Tariff 240 - Large General Service 02/01/17	
Rate Billing	\$ 3554.98
Fuel Adj @ 0.0021534 Per kWh	53.92
DSM Adj @ 0.0054343 Per kWh	136.07
Environmental Surcharge 9.9045000%	430.27
School Tax	124.40
Franchise Fee	105.22
State Sales Tax	264.29
<b>Current Balance Due</b>	<b>\$ 4,669.15</b>
<b>Total Balance Due</b>	<b>\$ 4,669.15</b>

### Usage Details:

↑↓ Values reflect changes between current month and previous month.



Total kWh for the past 12 months is 279,360  
Your Average Monthly Usage: 23,280 kWh

Billed Usage 02/17				
Usage	Power Factor	Power Factor Constant	Meter Location Comp.	Billed Usage
	(60.9)	(1.1676)		
25,040	-	-	-	25,040 kWh
221,600	-	-	-	221,600 kWh
32,640	-	-	-	32,640 kvarh

### Meter Details:

Meter #123456789					
Prev.	Type	Current	Type	Metered	Usage
97,294	Actual	97607	Actual	25,040	25,040 kWh
-	Actual	-	Actual	221,600	221,600 kWh
5474	Actual	5882	Actual	32,640	32,640 kvarh
Service Period 01/03 - 02/01				Multiplier 80.00000	
Next scheduled read date should be between Mar 2 and Mar 7.					

### Notes from Kentucky Power:

Visit us at kentuckypower.com

Rates available on request

TERMS AND CONDITIONS OF SERVICE

Residential Service Bill Form Page 1

 Amount due on or before **\$XXX.XX**  
Month DD, YYYY  
Your billing date is Month DD, YYYY  
Account #XXX-XXX-XXX-X-X

PO Box 24410  
Canton, OH 44701-4410

SERVICE ADDRESS: KPCO RESIDENTIAL CUSTOMER, 123 ANYWHERE CT, ANYWHERE, KY 12345-1234

CY XX



3085-1  
030003085 01 AV 0.373

KPCO RESIDENTIAL CUSTOMER  
123 ANYWHERE CT  
ANYWHERE, KY 12345-1234

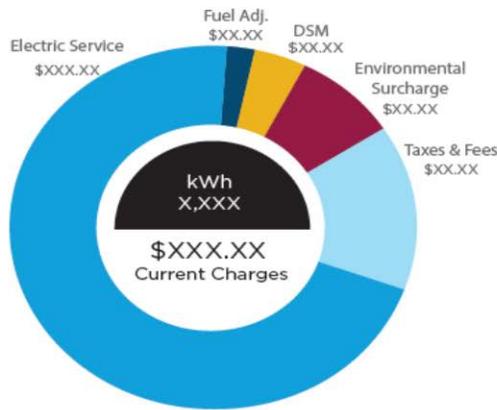


Notes from Kentucky Power:

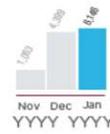
Make this the last bill sent in the mail. Gain more security and trust and Go Paperless to get an email notification when your bill is ready. Today is the Day! AEPPaperless.com

Current bill summary:

Service from MM/DD/YY - MM/DD/YY (XX DAYS)



Usage history (kWh):



Methods of payment:

- kentuckypower.com
- PO Box 24410  
Canton, OH 44701-4410
- 1-800-611-0964 (\$X.XX fee)

Need to get in touch?

Customer Operations Center: 1-800-572-1113

Turn over for important information!

Thank you for your prompt payment. Please include your account number on your check and return this stub with your payment.  
KPCO RESIDENTIAL CUSTOMER, 123 ANYWHERE CT, ANYWHERE, KY 12345-1234



Send inquiries to:  
PO Box 24410  
Canton, OH 44701-4710

Account #XXX-XXX-XXX-X-X

Amount due on or before **\$XXX.XX**  
Month DD, YYYY

Payment amount: \$

Pay \$XXX.XX After MM/DD/YY

Make check payable and send to:

American Electric Power  
PO Box 24410  
Canton, OH 44701-4410



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(Cont'd on Sheet No. 2-13)

DATE OF ISSUE: XXXX XX, XXXX

DATE EFFECTIVE: Bills Rendered On And After December 1, 2017

ISSUED BY: JOHN A. ROGNES III

TITLE: Director Regulatory Services

By Authority Of an Order of the Public Service Commission

In Case No. 2017-00231 Dated XXXXXXXX

TERMS AND CONDITIONS OF SERVICE (Cont'd)

Residential Service Bill Form Page 2



Service Address:

XXXX-XX  
KPCO RESIDENTIAL CUSTOMER  
123 ANYWHERE CT  
ANYWHERE, KY 12345-1234

Account #XXX-XXX-XXX-X-X

Line Item Charges:

Previous Charges	
Total Amount due at last billing	\$ XXX.XX
Payment MM/DD/YY - Thank you	-XXX.XX
<b>Previous Balance Due</b>	<b>\$ X.XX</b>
Current KPCO Charges	
Tariff 015 - Residential Service MM/DD/YY	
Rate Billing	\$ XXX.XX
Fuel Adj @ X.XXXXXX Per kWh	XX.XX
DSM Adj @ X.XXXXXX Per kWh	XX.XX
Environmental Surcharge X.XXXXXX%	XX.XX
School Tax	XX.XX
Franchise Fee	XX.XX
State Sales Tax	XX.XX
<b>Current Balance Due</b>	<b>\$ XXX.XX</b>
Homeserve Warranty Service (855-769-6267)	\$ XX.XX
<b>Total Balance Due</b>	<b>\$ XXX.XX</b>

Notes from Kentucky Power:

**Make this the last bill sent in the mail.** Gain more security and trust and Go Paperless to get an email notification when your bill is ready. Today is the Day! AEPPaperless.com.

**Worried that changes in the postal service may delay your bill or your payment?** Go paperless! You'll receive an email notification when your new bill is available for viewing. You'll also be able to pay online for free. Go to AEPPaperless.com to enroll today!

Visit us at kentuckypower.com

Rates available on request

Paying by check authorizes us to send the information from your check electronically to your bank for payment. If your check is processed electronically, the transaction will appear on your bank statement, although your physical check will not be presented to your financial institution or returned to you. The original check will be destroyed after it is processed. This transaction will not enroll you in any automatic debit process and will only occur each time a check is received. Any re-submissions due to insufficient funds may also occur electronically. Please be aware that all checking transactions will remain secure in this check conversion program. If you have questions about this process or do not want your check to be converted, please contact our Customer Operations Center at the number printed on your bill.

Homeserve USA is optional. Homeserve USA is not the same as KPCO and is not regulated by the KY Public Service Commission. A customer does not have to buy the Warranty Service in order to continue to receive quality regulated service from KPCO.

KENTUCKY POWER COMPANY

Usage Details:

↑↓ Values reflect changes between current month and previous month.



Total usage for the past 12 months: X,XXX kWh  
Your average monthly usage: X,XXX kWh

Meter Details:

Meter #XXXXXXXXXX					
Prev.	Type	Current	Type	Metered	Usage
XX,XXX	Actual	XX,XXX	Actual	X,XXX	X,XXX kWh
Service Period MM/DD - MM/DD				Multiplier X.XXXXXX	
Next scheduled read date should be between Month DD and Month DD.					

(Cont'd on Sheet No. 2-14)

DATE OF ISSUE: XXXX XX, XXXX

DATE EFFECTIVE: Bills Rendered On And After December 1, 2017

ISSUED BY: JOHN A. ROGNES III

TITLE: Director Regulatory Services

By Authority Of an Order of the Public Service Commission

In Case No. 2017-00231 Dated XXXXXXXX

TERMS AND CONDITIONS OF SERVICE (Cont'd)

Small General Service Bill Form Page 1

 Amount due on or before **\$XXX.XX**  
Month DD, YYYY  
Your billing date is Month DD, YYYY  
Account #XXX-XXX-XXX-X-X

PO Box 24410  
Canton, OH 44701-4410

SERVICE ADDRESS: KPCO SMALL GENERAL SERVICE CUSTOMER, 123 ANYWHERE CT, ANYWHERE, KY 12345-1234 CY XX

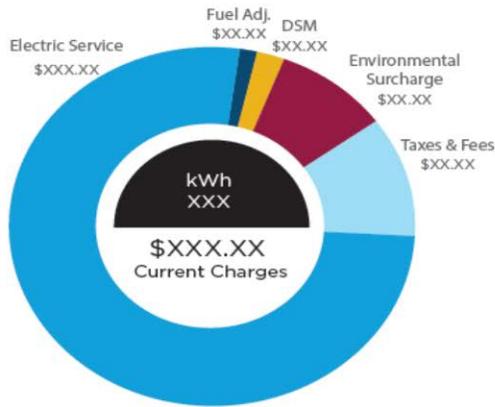
 XXXX-X  
XXXXXXXXXX XX AV X.XXX

KPCO SMALL GENERAL SERVICE CUSTOMER  
123 ANYWHERE CT  
ANYWHERE, KY 12345-1234

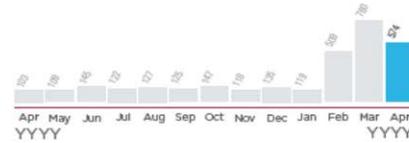
Notes from Kentucky Power:

Make this the last bill sent in the mail. Gain more security and trust and go paperless to get an email notification when your bill is ready. Today is the day! AEPPaperless.com

Current bill summary:  
Service from MM/DD/YY - MM/DD/YY (XX days)



Usage history (kWh):



Methods of payment:

-  kentuckypower.com
-  PO Box 24410  
Canton, OH 44701-4410
-  1-800-611-0964 (\$X.XX fee)

Need to get in touch?

Customer Operations Center: 1-800-572-1113

Turn over for important information!

Thank you for your prompt payment. Please include your account number on your check and return this stub with your payment.  
KPCO SMALL GENERAL SERVICE CUSTOMER, 123 ANYWHERE CT, ANYWHERE, KY 12345-1234

 Send inquiries to:  
PO Box 24410  
Canton, OH 44701-4710

Account #XXX-XXX-XXX-X-X

Amount due on or before **\$XXX.XX**  
Month DD, YYYY

Payment amount: \$

Pay \$XXX.XX After MM/DD/YY

Make check payable and send to:  
American Electric Power  
PO Box 24410  
Canton, OH 44701-4410

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(Cont'd on Sheet No. 2-15)

DATE OF ISSUE: XXXX XX, XXXX

DATE EFFECTIVE: Bills Rendered On And After December 1, 2017

ISSUED BY: JOHN A. ROGNES III

TITLE: Director Regulatory Services

By Authority Of an Order of the Public Service Commission

In Case No. 2017-00231 Dated XXXXXXXX

TERMS AND CONDITIONS OF SERVICE (Cont'd)

Small General Service Bill Form Page 2



**Service Address:**

3085-2  
KPCO SMALL GENERAL SERVICE CUSTOMER  
123 ANYWHERE CT  
ANYWHERE, KY 12345-1234

Account #XXX-XXX-XXX-X-X

**Line Item Charges:**

Previous Charges	
Total Amount due at last billing	\$ XXX.XX
Payment MM/DD/YY - Thank You	-XXX.XX
Previous Balance Due	\$ X.XX
Current KPCO Charges	
Tariff 211 - Small General Service MM/DD/YY	
Rate Billing	\$ XXX.XX
Fuel Adj @ X.XXXXXXX Per kWh	XX.XX
DSM Adj @ X.XXXXXXX Per kWh	XX.XX
Environmental Surcharge XX.XXXXXX%	XX.XX
School Tax	X.XX
Franchise Fee	X.XX
State Sales Tax	X.XX
<b>Current Balance Due</b>	<b>\$ XXX.XX</b>
<b>Total Balance Due</b>	<b>\$ XXX.XX</b>

**Notes from Kentucky Power:**

**Make this the last bill sent in the mail.** Gain more security and trust and Go Paperless to get an email notification when your bill is ready. Today is the Day! AEPaperless.com.

**Stealing copper is illegal** and can have deadly consequences. **Reporting copper theft** could save a life, so if you have any information, **please call 1-866-747-5845**

**Usage Details:**

↑↓ Values reflect changes between current month and previous month.



Total usage for the past 12 months: X,XXX kWh  
Your average monthly usage: XXX kWh

**Meter Details:**

Meter #123456789					
Previous	Type	Current	Type	Metered	Usage
XXXXX	Actual	XXXXX	Actual	X,XXX	X,XXX kWh
Service Period MM/DD - MM/DD				Multiplier X.XXXXXX	
Next scheduled read date should be between MM/DD and MM/DD.					

(Cont'd on Sheet No. 2-16)

DATE OF ISSUE: XXXX XX, XXXX

DATE EFFECTIVE: Bills Rendered On And After December 1, 2017

ISSUED BY: JOHN A. ROGNES III

TITLE: Director Regulatory Services

By Authority Of an Order of the Public Service Commission

In Case No. 2017-00231 Dated XXXXXXXX

TERMS AND CONDITIONS OF SERVICE (Cont'd)

Large General Service Bill Form Page 1

 Amount due on or before **\$XXX.XX**  
Month DD, YYYY  
Your billing date is Month DD, YYYY  
Account #XXX-XXX-XXX-X-X

PO Box 24410  
Canton, OH 44701-4410

SERVICE ADDRESS: KPCO LARGE GENERAL SERVICE CUSTOMER, 123 ANYWHERE CT, ANYWHERE, KY 12345-1234

CY XX



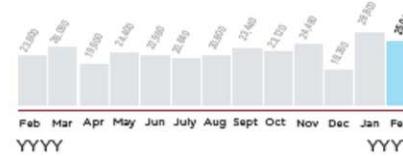
XXXX-X

KPCO LARGE GENERAL SERVICE CUSTOMER  
123 ANYWHERE CT  
ANYWHERE, KY 12345-1234

Notes from Kentucky Power:

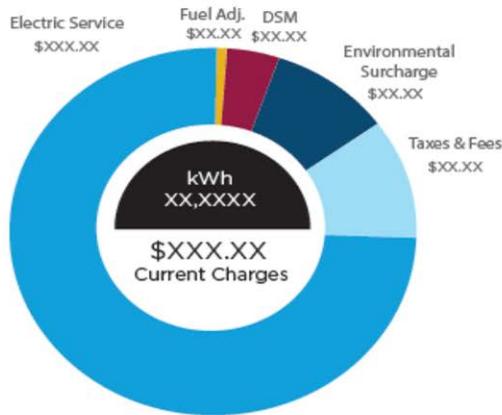
Make this the last bill sent in the mail. Gain more security and trust and Go Paperless to get an email notification when your bill is ready. Today is the Day! AEPPaperless.com

Usage history (kWh):



Current bill summary:

Service from MM/DD/YY - MM/DD/YY (XX days)



Methods of payment:

- kentuckypower.com
- PO Box 24410  
Canton, OH 44701-4410
- 1-800-611-0964 (\$X.XX fee)

Need to get in touch?

Customer Operations Center: 1-800-572-1113

Turn over for important information!

Thank you for your prompt payment. Please include your account number on your check and return this stub with your payment.  
KPCO LARGE GENERAL SERVICE CUSTOMER, 123 ANYWHERE CT, ANYWHERE, KY 12345-1234



Send inquiries to:  
PO Box 24410  
Canton, OH 44701-4790

Account #XXX-XXX-XXX-X-X

Amount due on or before **\$XXX.XX**  
Month DD, YYYY

Payment amount: \$

\$XXX.XX After MM/DD/YY

Make check payable and send to:  
American Electric Power  
PO Box 24410  
Canton, OH 44701-4410

0000135610000136210100000000000410039216920112312016900006

(Cont'd on Sheet No. 2-17)

DATE OF ISSUE: XXXX XX, XXXX

DATE EFFECTIVE: Bills Rendered On And After December 1, 2017

ISSUED BY: JOHN A. ROGNES III

TITLE: Director Regulatory Services

By Authority Of an Order of the Public Service Commission

In Case No. 2017-00231 Dated XXXXXXXX

TERMS AND CONDITIONS OF SERVICE (Cont'd)

Large General Service Bill Form Page 2



Service Address:

XXXX-X  
KPCO LARGE GENERAL SERVICE CUSTOMER  
123 ANYWHERE CT  
ANYWHERE, KY 12345-1234

Account #XXX-XXX-XXX-X-X

Line Item Charges:

Previous Charges	
Total Amount due at last billing	\$ XXX.XX
Payment MM/DD/YY - Thank You	-XXX.XX
<b>Previous Balance Due</b>	<b>\$ X.XX</b>
Current KPCO Charges	
Tariff 240 - Large General Service MM/DD/YY	
Rate Billing	\$ XXX.XX
Fuel Adj @ X.XXXXXX Per kWh	XX.XX
DSM Adj @ X.XXXXXX Per kWh	XX.XX
Environmental Surcharge X.XXXXXX%	XX.XX
School Tax	XX.XX
Franchise Fee	XX.XX
State Sales Tax	XX.XX
<b>Current Balance Due</b>	<b>\$ XXX.XX</b>
<b>Total Balance Due</b>	<b>\$ XXX.XX</b>

Meter Details:

Meter #123456789					
Prev.	Type	Current	Type	Metered	Usage
XX,XXX	Actual	XX,XXX	Actual	XX,XXX	XX,XXX kWh
-	Actual	-	Actual	XXX,XXX	XXX,XXX kW
XXXX	Actual	XXXX	Actual	XX,XXX	XX,XXX kvarh
Service Period MM/DD - MM/DD				Multiplier XX.XXXXXX	
Next scheduled read date should be between Month DD and Month DD.					

Notes from Kentucky Power:

Visit us at kentuckypower.com  
Rates available on request

Usage Details:

↑↓ Values reflect changes between current month and previous month.



Total usage for the past 12 months: XXX,XXX kWh  
Your Average Monthly Usage: XX,XXX kWh

Billed Usage MM/DD				
Usage	Power Factor	Power Factor Constant	Meter Location Comp.	Billed Usage
	(XX.X)	(X.XXX)		
XX,XXX	-	-	-	XX,XXX kWh
XX,XXX	-	-	-	XX,XXX kWh
XX,XXX	-	-	-	XX,XXX kvarh

DATE OF ISSUE: XXXX XX, XXXX

DATE EFFECTIVE: Bills Rendered On And After December 1, 2017

ISSUED BY: JOHN A. ROGNES III

TITLE: Director Regulatory Services

By Authority Of an Order of the Public Service Commission

In Case No. 2017-00231 Dated XXXXXXXX

Description	Weight	2014 Company 2014 Syndicated		2014 Company 2014 Syndicated		2014 Company 2014 Syndicated	
		Midsize Segment Kentucky Power	Midwest Midsize Region	Midsize Segment Kentucky Power	Midwest Midsize Region	Midsize Segment Lincoln Electric System	Midwest Midsize Region
Overall Customer Satisfaction Index			585		654		683
Overall satisfaction with electric utility			6.11		6.88		7.15
Power Quality & Reliability Index	27%		627		715		779
temperatures	22%		6.82		7.66		8.22
Promptly restore power after outage	19%		6.21		7.06		7.65
Provide quality electric power	17%		6.46		7.29		7.91
Avoid brief interruptions	17%		6.25		7.21		8
Avoid lengthy outages	13%		6.19		7.24		8.03
Keep you informed about outage	12%		5.18		5.94		6.5
Overall power quality and reliability			6.54		7.41		8.03
Price Index	22%		483		561		584
Total monthly cost of electric service	33%		4.65		5.53		5.88
usage	19%		4.93		5.71		5.79
Fairness of pricing	17%		4.57		5.54		5.83
Ease of understanding pricing options	17%		5.27		5.7		5.83
needs	14%		4.9		5.63		5.84
Overall price			4.66		5.54		5.88
Billing & Payment Index	19%		687		729		749
Amount of time given to pay bill	26%		6.57		7.12		7.45
Variety of methods to pay bill	26%		6.8		7.12		7.37
Usefulness of information on bill	18%		6.53		7.04		6.93
Ease of finding payment due date	15%		7.36		7.72		7.94
Ease of finding exact amount to pay	15%		7.43		7.77		7.97
Overall billing and payment experience			6.9		7.37		7.56
Corporate Citizenship Index	13%		507		596		615
organizations	31%		4.84		5.78		5.97
the future	24%		5.11		6.04		6.31
Actions to take care of environment	23%		5.29		6.01		6.27
offered	22%		5.17		6.07		6.06
Overall corporate citizenship			5.24		6.05		6.18
Communications Index	13%		538		598		602
Efforts to communicate changes	21%		5.32		5.97		6.14
low	21%		4.97		5.74		5.94
reduce energy	20%		5.54		6.22		6.23
electricity	20%		5.99		6.32		6.15
Creating messages that get attention	18%		5.11		5.65		5.61
Overall communications			5.37		6.07		6.18
Customer Service Index	6%		667		719		*717
question, or request	38%		*6.41		6.97		**
prompts	21%		*7.05		7.14		**
instructions	21%		*6.89		7.24		**
ATRS - Clarity of information provided	20%		*6.66		7.15		**
question, or request	22%		*6.16		7.02		*7.40
REP - Courtesy of the representative	22%		*6.94		7.46		*7.93
REP - Promptness in speaking to a person	18%		*6.09		6.88		*7.40
REP - Representative's concern for needs	14%		*6.27		6.96		*7.32
REP - Knowledge of the representative	12%		*6.49		7.25		*7.65
system	12%		*5.91		6.3		**
Overall phone customer service experience			6.54		7.16		*7.48
problem, question, or request	35%		*6.86		7.42		*7.82
ONLINE - Appearance of the website	23%		*7.62		7.44		*7.39
provided	19%		*7.38		7.45		*7.52
ONLINE - Ease of navigating the website	19%		*7.56		7.44		*7.42
representative	4%		**		6.8		**
Overall online customer service experience			*7.32		7.48		*7.54
Overall customer service experience			6.65		7.22		*7.25

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\* Small Sample



PO Box 24410  
Canton, OH 44701-4410

Amount due on or before February 1, 2017 **\$776.03**

Your billing date is Jan 14, 2017  
Account #XXX-XXX-XXX-X-X

SERVICE ADDRESS: KPCC RESIDENTIAL CUSTOMER, 123 ANYWHERE CT, ANYWHERE, KY 12345-1234

CY 11



3085-1  
030003085 01 AV 0.373

KPCC RESIDENTIAL CUSTOMER  
123 ANYWHERE CT  
ANYWHERE, KY 12345-1234

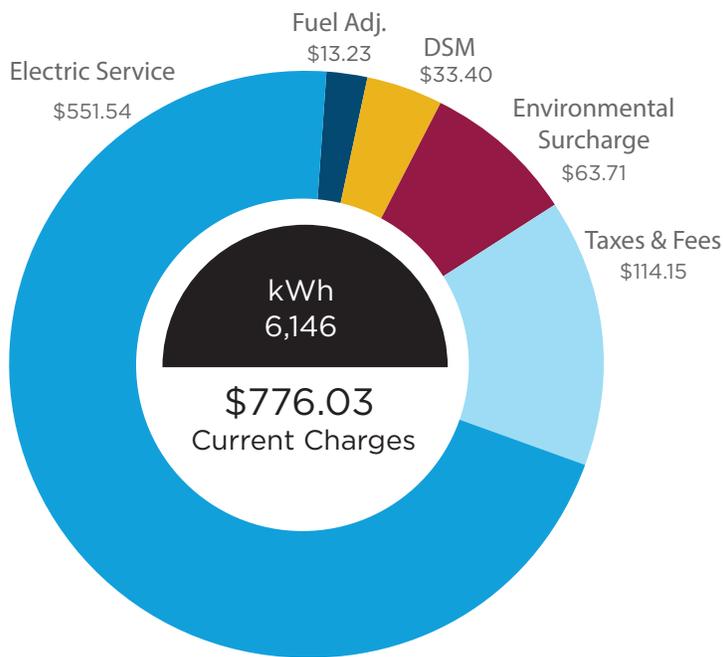


**Notes from Kentucky Power:**

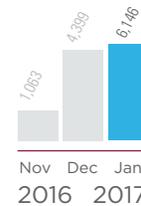
**Make this the last bill sent in the mail.** Gain more security and trust and Go Paperless to get an email notification when your bill is ready. Today is the Day! AEPPaperless.com

**Current bill summary:**

Service from 12/12/16 - 01/13/17 (32 DAYS)



**Usage history (kWh):**



**Methods of payment:**

- kentuckypower.com
- PO Box 24410  
Canton, OH 44701-4410
- 1-800-611-0964 (\$2.95 fee)

**Need to get in touch?**

Customer Operations Center: 1-800-572-1113

There's more information!

Thank you for your prompt payment. Please include your account number on your check and return this stub with your payment.

KPCC RESIDENTIAL CUSTOMER, 123 ANYWHERE CT, ANYWHERE, KY 12345-1234



Send inquiries to:  
PO Box 24410  
Canton, OH 44701-4710

77603  
Account #XXX-XXX-XXX-X-X

Amount due on or before February 1, 2017 **\$776.03**

Payment amount: \$

Pay \$814.83 After 02/01/17

Make check payable and send to:

American Electric Power  
PO Box 24410  
Canton, OH 44701-4410



000013561000013621010000000000410039216920112312018900008



**Service Address:**

3085-02

KPCO RESIDENTIAL CUSTOMER  
123 ANYWHERE CT  
ANYWHERE, KY 12345-1234

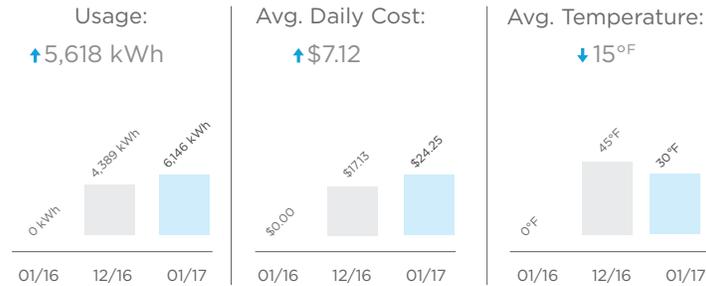
**Account #XXX-XXX-XXX-X-X**

**Line Item Charges:**

Previous Charges	
Total Amount due at last billing	\$ 371.15
Payment 12/21/16 - Thank you	-371.15
<b>Previous Balance Due</b>	<b>\$ 0</b>
Current KPCO Charges	
Tariff 015 - Residential Service 01/13/17	
Rate Billing	\$ 551.54
Fuel Adj @ 0.0021534 Per kWh	13.23
DSM Adj @ 0.0054343 Per kWh	33.40
Environmental Surcharge 9.9045000%	63.71
School Tax	21.94
Franchise Fee	22.60
State Sales Tax	69.61
<b>Current Balance Due</b>	<b>\$ 776.03</b>
<b>Total Balance Due</b>	<b>\$ 776.03</b>

**Usage Details:**

↑↓ Values reflect changes between current month and previous month.



Total usage for the past 12 months: 5,472 kWh  
Your average monthly usage: 2,736 kWh

**Meter Details:**

Meter #123456789					
Prev.	Type	Current	Type	Metered	Usage
91461	Actual	97607	Actual	6,146	6,146 kWh
Service Period 12/12 - 01/13				Multiplier 1.00000	
Next scheduled read date should be between Feb 13 and Feb 16.					

**Notes from Kentucky Power:**

**Make this the last bill sent in the mail.** Gain more security and trust and Go Paperless to get an email notification when your bill is ready. Today is the Day! AEPaperless.com.

**Worried that changes in the postal service may delay your bill or your payment?** Go paperless! You'll receive an email notification when your new bill is available for viewing. You'll also be able to pay online for free. Go to AEPaperless.com to enroll today!

Visit us at [kentuckypower.com](http://kentuckypower.com)

Rates available on request

Paying by check authorizes us to send the information from your check electronically to your bank for payment. If your check is processed electronically, the transaction will appear on your bank statement, although your physical check will not be presented to your financial institution or returned to you. The original check will be destroyed after it is processed. This transaction will not enroll you in any automatic debit process and will only occur each time a check is received. Any re-submissions due to insufficient funds may also occur electronically. Please be aware that all checking transactions will remain secure in this check conversion program. If you have questions about this process or do not want your check to be converted, please contact our Customer Operations Center at the number printed on your bill.

KENTUCKY POWER COMPANY



PO Box 24410  
Canton, OH 44701-4410

Amount due on or before  
April 17, 2017

**\$106.31**

Your billing date is Mar 31, 2017

Account #123-456-789-0-1

SERVICE ADDRESS: KPCC SMALL GENERAL SERVICE CUSTOMER, 123 ANYWHERE CT, ANYWHERE, KY 12345-1234

CY 11



3085-1  
030003085 01 AV 0.373

KPCC SMALL GENERAL SERVICE CUSTOMER  
123 ANYWHERE CT  
ANYWHERE, KY 12345-1234

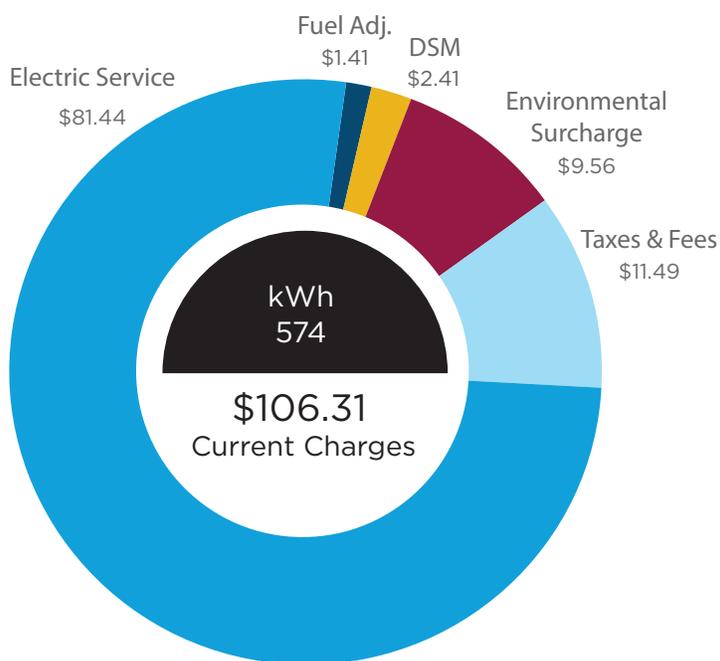


**Notes from Kentucky Power:**

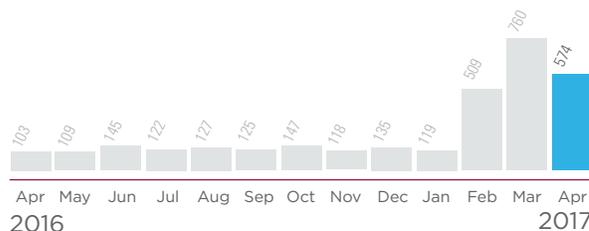
**Make this the last bill sent in the mail.** Gain more security and trust and go paperless to get an email notification when your bill is ready. Today is the day! AEPPaperless.com

**Current bill summary:**

Service from 03/01/17 - 03/30/17 (30 days)



**Usage history (kWh):**



**Methods of payment:**

- kentuckypower.com
- PO Box 24410  
Canton, OH 44701-4410
- 1-800-611-0964 (\$2.95 fee)

**Need to get in touch?**

Customer Operations Center: 1-800-572-1113

Turn over for important information!

Thank you for your prompt payment. Please include your account number on your check and return this stub with your payment.

KPCC SMALL GENERAL SERVICE CUSTOMER, 123 ANYWHERE CT, ANYWHERE, KY 12345-1234



Send inquiries to:  
PO Box 24410  
Canton, OH 44701-4710

77603

Account #123-456-789-0-1

Amount due on or before  
April 17, 2017

**\$106.31**

Payment amount: \$

Pay \$111.63 After 04/17/17

Make check payable and send to:

American Electric Power  
PO Box 24410  
Canton, OH 44701-4410



000013561000013621010000000000410039216920112312018900008



## Notes from Kentucky Power:

**Make this the last bill sent in the mail.** Gain more security and trust and Go Paperless to get an email notification when your bill is ready. Today is the Day! AEPaperless.com.

**Stealing copper is illegal** and can have deadly consequences. **Reporting copper theft** could save a life, so if you have any information, **please call 1-866-747-5845**

### Service Address:

3085-2

KPCO SMALL GENERAL SERVICE CUSTOMER  
123 ANYWHERE CT  
ANYWHERE, KY 12345-1234

**Account #123-456-789-0-1**

### Line Item Charges:

Previous Charges		
Total Amount due at last billing	\$	124.15
Payment 03/14/17 - Thank You		-124.15
<b>Previous Balance Due</b>	<b>\$</b>	<b>0</b>
Current KPCO Charges		
<b>Tariff 211 - Small General Service 03/30/17</b>		
Rate Billing	\$	81.44
Fuel Adj @ 0.0024696 Per kWh		1.41
DSM Adj @ 0.0042060 Per kWh		2.41
Environmental Surcharge 13.1119000%		9.71
School Tax		4.81
Franchise Fee		2.56
State Sales Tax		3.97
<b>Current Balance Due</b>	<b>\$</b>	<b>106.31</b>
<b>Total Balance Due</b>	<b>\$</b>	<b>106.31</b>

### Usage Details:

↑↓ Values reflect changes between current month and previous month.



Total usage for the past 12 months: 2,519 kWh  
Your average monthly usage: 210 kWh

### Meter Details:

Meter #123456789					
Previous	Type	Current	Type	Metered	Usage
33192	Actual	33766	Actual	574	574 kWh
Service Period 03/01 - 03/30				Multiplier 1.00000	
Next scheduled read date should be between Apr 27 and May 2.					



PO Box 24410  
Canton, OH 44701-4410

Amount due on or before February 20, 2017 **\$4,669.15**

Your billing date is Feb 2, 2017  
Account #123-456-789-0-1

SERVICE ADDRESS: KPCC LARGE GENERAL SERVICE CUSTOMER, 123 ANYWHERE CT, ANYWHERE, KY 12345-1234

CY 03



2435-2

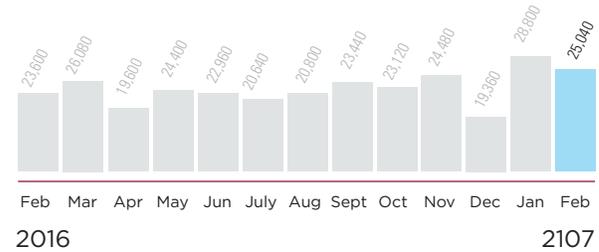
KPCC LARGE GENERAL SERVICE CUSTOMER  
123 ANYWHERE CT  
ANYWHERE, KY 12345-1234



**Notes from Kentucky Power:**

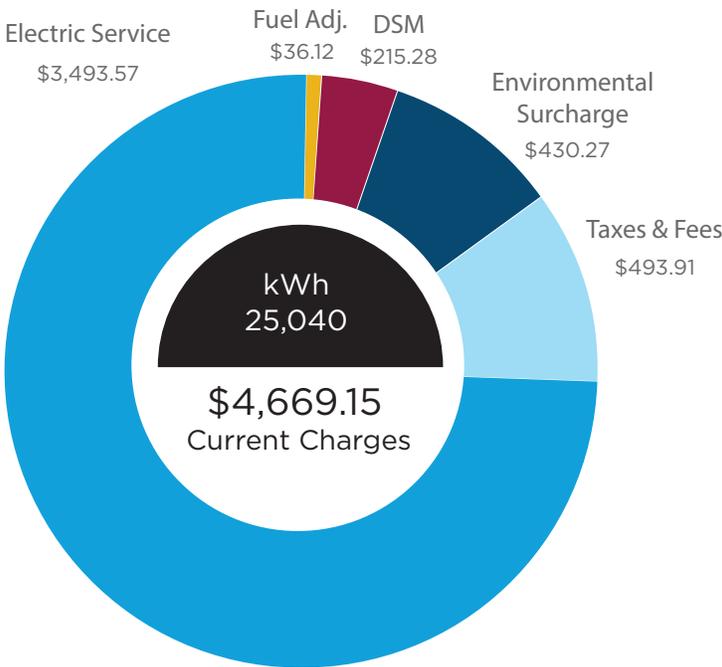
**Make this the last bill sent in the mail.** Gain more security and trust and Go Paperless to get an email notification when your bill is ready. Today is the Day! AEPPaperless.com

**Usage history (kWh):**



**Current bill summary:**

Service from 01/03/17 - 02/01/17 (28 days)



**Methods of payment:**

- kentuckypower.com
- PO Box 24410  
Canton, OH 44701-4410
- 1-800-611-0964 (\$2.95 fee)

**Need to get in touch?**

Customer Operations Center: 1-800-572-1113

There's more information!

Thank you for your prompt payment. Please include your account number on your check and return this stub with your payment.

KPCC LARGE GENERAL SERVICE CUSTOMER, 123 ANYWHERE CT, ANYWHERE, KY 12345-1234



Send inquiries to:  
PO Box 24410  
Canton, OH 44701-4710

466915

Account #123-456-789-0-1

Amount due on or before February 20, 2017 **\$4,669.15**

Payment amount: \$

\$4,902.61 After 02/20/17

Make check payable and send to:

American Electric Power  
PO Box 24410  
Canton, OH 44701-4410



000013561000013621010000000000410039216920112312018900008



**Service Address:**

2435-2  
KPCO LARGE GENERAL SERVICE CUSTOMER  
123 ANYWHERE CT  
ANYWHERE, KY 12345-1234

**Account #123-456-789-0-1**

**Line Item Charges:**

Previous Charges	
Total Amount due at last billing	\$ 5,203.34
Payment 01/16/17 - Thank You	-5,203.34
<b>Previous Balance Due</b>	<b>\$ 0</b>
Current KPCO Charges	
Tariff 240 - Large General Service 02/01/17	
Rate Billing	\$ 3554.98
Fuel Adj @ 0.0021534 Per kWh	53.92
DSM Adj @ 0.0054343 Per kWh	136.07
Environmental Surcharge 9.9045000%	430.27
School Tax	124.40
Franchise Fee	105.22
State Sales Tax	264.29
<b>Current Balance Due</b>	<b>\$ 4,669.15</b>
<b>Total Balance Due</b>	<b>\$ 4,669.15</b>

**Usage Details:**

↑↓ Values reflect changes between current month and previous month.



Total kWh for the past 12 months is 279,360  
Your Average Monthly Usage: 23,280 kWh

Billed Usage 02/17				
Usage	Power Factor	Power Factor Constant	Meter Location Comp.	Billed Usage
	(60.9)	(1.1676)		
25,040	-	-	-	25,040 kWh
221,600	-	-	-	221,600 kWh
32,640	-	-	-	32,640 kvarh

**Meter Details:**

Meter #123456789					
Prev.	Type	Current	Type	Metered	Usage
97,294	Actual	97607	Actual	25,040	25,040 kWh
-	Actual	-	Actual	221,600	221,600 kWh
5474	Actual	5882	Actual	32,640	32,640 kvarh
Service Period 01/03 - 02/01				Multiplier 80.00000	
Next scheduled read date should be between Mar 2 and Mar 7.					

**Notes from Kentucky Power:**

Visit us at kentuckypower.com

Rates available on request

**COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

Electronic Application Of Kentucky Power            )  
Company For (1) Approval Of Its Revised Terms    )  
And Conditions Of Service Implementing New Bill ) Case No. 2017-00231  
Formats; And (2) An Order Granting All Other       )  
Required Approvals And Relief                        )

**DIRECT TESTIMONY OF**

**STEPHEN L. SHARP JR.**

**ON BEHALF OF KENTUCKY POWER COMPANY**

**DIRECT TESTIMONY OF  
STEPHEN L. SHARP JR., ON BEHALF OF  
KENTUCKY POWER COMPANY  
BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY**

**CASE NO. 2017-00231**

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III.	PURPOSE OF TESTIMONY .....	2
IV.	BILL FORMAT CHANGES. ....	2

**DIRECT TESTIMONY OF  
STEPHEN L. SHARP JR., ON BEHALF OF  
KENTUCKY POWER COMPANY  
BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY**

**I. INTRODUCTION**

1 **Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND TITLE.**

2 A. My name is Stephen L. Sharp, Jr., and I am a Regulatory Consultant for Kentucky  
3 Power Company (“Kentucky Power” or “Company”). My business address is 101  
4 A Enterprise Drive, Frankfort, Kentucky 40601.

**II. BACKGROUND**

5 **Q. PLEASE DESCRIBE YOUR EDUCATIONAL AND PROFESSIONAL**  
6 **BACKGROUND.**

7 A. I received a Bachelor of Arts degree in Integrated Strategic Communications from  
8 the University of Kentucky in 2001. I accepted a position with American Electric  
9 Power’s (“AEP”) Customer Service Department in Hurricane, West Virginia in  
10 2002, and thereafter I held various positions. In 2014, I transferred from  
11 Hurricane to my current position within Kentucky Power’s Regulatory Services.

12 **Q. WHAT ARE YOUR PRINCIPAL AREAS OF RESPONSIBILITY WITH**  
13 **KENTUCKY POWER?**

14 A. My primary responsibility is to support the Company’s regulatory activities. I  
15 assist in managing the Company’s tariffs and regulatory filings, including the  
16 Demand Side Management filings and the monthly Fuel Adjustment Clause

1 reports, and support other members of Kentucky Power's Regulatory Services  
2 Department.

### III. PURPOSE OF TESTIMONY

3 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS**  
4 **PROCEEDING?**

5 A. The purpose of my testimony is to describe (1) why the Company is proposing to  
6 change its bill format and (2) the changes to the bill format itself.

7 **Q. ARE YOU INCLUDING EXHIBITS WITH YOUR TESTIMONY?**

8 A. Yes. I am including the following exhibits:

- 9 • **EXHIBIT SLS-1** – Excerpts from the 2014 J.D. Power and Associates  
10 Electric Utility Residential Customer Satisfaction Survey
- 11 • **EXHIBIT SLS-2** – Examples of redesigned bill correspondence

### IV. NEW BILL FORMAT

12 **Q. WHY IS THE COMPANY PROPOSING TO CHANGE ITS BILL**  
13 **FORMAT?**

14 A. Our customers asked us to do so. Through a J.D. Power and Associates Electric  
15 Utility Residential Customer Satisfaction Survey ("J.D. Power Survey"), the  
16 Company discovered that customer satisfaction regarding billing correspondence  
17 was below the industry average. Kentucky Power scored 6.9 (out of 10) in the  
18 overall billing and payment experience component of the customer satisfaction  
19 survey. This compares to Midwest Region, Midsize Segment average of 7.37. A  
20 copy of the Company's scores on the customer satisfaction survey, including  
21 those for billing and payment experience, are included as **EXHIBIT SLS-1**.

1           Additionally, as part of Kentucky Power’s outreach initiatives the  
2           Company hosted a series of Community Advisory Panels and other customer  
3           outreach workshops to discuss issues with members of the communities the  
4           Company serves. During these meetings, customers repeatedly expressed  
5           frustration with the bill format.

6   **Q.   WHAT SPECIFICALLY WERE CUSTOMERS FRUSTRATED WITH**  
7   **ABOUT THE BILLS?**

8   A.   The single most frequent complaint about the bill format was the number of line  
9           items appearing on the bill. Many of the customers the Company spoke with  
10          simply wanted to know the total amount owed and when the payment was due.  
11          These customers indicated that providing line-item detail tended to obscure the  
12          information that customers were most interested in.

13   **Q.   HOW IS THE COMPANY PROPOSING TO CHANGE ITS BILL**  
14   **FORMAT TO ADDRESS THESE CONCERNS?**

15   A.   The Company is proposing two separate changes to its billing form. First, the  
16          Company is proposing to redesign the style of its bill correspondence to provide  
17          the information the customers most want and use in an easily understood fashion.  
18          Second, the Company is proposing to reduce the number of billing line items  
19          shown on the bill.

20   **Q.   HOW DID THE COMPANY ACCOMPLISH THE BILL REDESIGN?**

21   A.   The Company’s customer outreach efforts were part of a larger AEP-wide effort  
22          by the AEP operating companies to improve all aspects of the service they  
23          provide their customers in response to issues raised in the J.D. Power Survey. As

1 part of this initiative, the Company sought feedback from customers on the  
2 content of the bill, ease of finding key elements (i.e., amount due, kWh used), and  
3 how the Company's bill correspondence compared to other utility bills (electric,  
4 water, gas). Based on the information obtained through the customer feedback  
5 opportunities and input from Kentucky Power employees, many of whom are also  
6 customers, Kentucky Power redesigned its billing correspondence to:

- 7 • Promote and enhance readability of the information displayed in the  
8 bill.
- 9 • Give the bill a clean and understandable appearance.
- 10 • Make it easier for customers to identify the information most  
11 important to them.

12 Examples of the redesigned bill format for different customer classes are shown in  
13 **EXHIBIT SLS-2**. The new format is less cluttered and the use of color makes  
14 identifying important information even easier. In addition, the total amount due,  
15 which customers indicated was the most important information on the bill, is  
16 displayed in large font making it most visible. Another important improvement is  
17 the addition of the "donut" graphic which shows visually the relative  
18 contributions of the various components of the customer's total charge.

19 **Q. PLEASE DESCRIBE KENTUCKY POWER'S PROPOSAL TO COMBINE**  
20 **BILLING LINE ITEMS.**

21 A. Kentucky Power's current residential bill includes up to 15 separate line item  
22 charges:

**Current KPCo Charges:****Tariff 015 - Residential Service MM/DD/YY**

Rate Billing	\$	XXX.XX
Fuel Adj @ 0.XXXXXXX Per KWH		XX.XX
DSM Adj @0.XXXXXXX Per KWH		X.XX
Residential HEAP @ \$0.15		0.15
Kentucky Economic Development Surcharge @ \$0.15		0.15
Capacity Charge @ 0.XXXXXXX Per KWH		X.XX
Big Sandy 1 Operation Rider @ 0.XXXXXX Per KWH		XX.XX
Environmental Adj X.XXXXXXX%		XX.XX
Big Sandy Retirement Rider @ X.XXXXXXX%		XX.XX
Purchased Power Adjustment @ 0.XXXXXXX Per KWH		XX.XX
Green Pricing XXX Blocks		XX.XX
School Tax		XX.XX
Franchise Tax		XX.XX
State Sales Tax		<u>XX.XX</u>

1 (The fifteenth billing line item is the optional Homeserve Warranty Service.)  
2 Although surcharges and riders benefit the customer and Company alike by  
3 ensuring customers pay no more or less than owed, many customers indicated that  
4 they do not want or need the level of detail provided by listing each such charge  
5 individually. In response to customer concerns regarding the number of line  
6 items included in Kentucky Power's bill correspondence, the Company is  
7 proposing to combine all riders and surcharges, except for the Fuel Adjustment  
8 Clause, Environmental Surcharge, and Demand-Side Management Surcharge, into  
9 the "Rate Billing" line. The bill also would continue to show applicable state and  
10 local taxes and any applicable franchise fees as individual line items. The  
11 proposed format is below:

Current KPCO Charges	
Tariff 015 - Residential Service MM/DD/YY	
Rate Billing	\$ XXX.XX
Fuel Adj @ X.XXXXXX Per kWh	XX.XX
DSM Adj @ X.XXXXXX Per kWh	XX.XX
Environmental Surcharge X.XXXXXX%	XX.XX
School Tax	XX.XX
Franchise Fee	XX.XX
State Sales Tax	XX.XX
<b>Current Balance Due</b>	<b>\$ XXX.XX</b>

1 The proposed format reduces the number of line items shown on the bill from up  
2 to fifteen to up to eight. In doing so, the Company is addressing customers'  
3 request for a simpler billing format.

4 **Q. IS THE DETAILED BILLING INFORMATION READILY AVAILABLE?**

5 A. Yes. Customers can use a bill calculation spreadsheet available on the  
6 Company's website ([www.kentuckypower.com](http://www.kentuckypower.com)) to receive the more detailed  
7 billing information currently being provided. This resource will remain following  
8 the bill format change. In addition, a customer can contact the Company's  
9 Customer Operations Center at 1-800-572-1113 and a Customer Operations  
10 Associate will walk the customer through each line item. If a customer requires  
11 further explanation, the Company will send a local Customer Service  
12 Representative to the customer's home to assist the customer.

13 **Q. WILL THE COMPANY OFFER ANY OUTREACH TO CUSTOMERS IF**  
14 **THE COMMISSION APPROVES THESE CHANGES?**

15 A. Yes. The Company will discuss the bill changes with customers as a continuation  
16 of the currently ongoing community outreach workshops led by employees

1 throughout the Company's service territory. The Company will also describe the  
2 changes on its website.

3 **Q. WHEN DOES THE COMPANY PROPOSE TO BEGIN USING THE NEW**  
4 **BILL FORMAT?**

5 A. Because bills are prepared and printed centrally for all AEP operating companies,  
6 changing the formats at the same time for all operating companies results in  
7 efficiencies and minimizes the risk for logistical problems with the roll-out. The  
8 AEP-wide change is scheduled for December 2017. To ensure there is sufficient  
9 time to implement the new billing format for Kentucky Power prior to the  
10 scheduled December 2017 debut, the Company requests an order approving the  
11 changes to the Company's bill format on or before September 15, 2017.

12 **Q. WHY DOES THE COMPANY NEED A DECISION TWO AND A HALF**  
13 **MONTHS PRIOR TO THE NEW BILL REDESIGN GOING INTO**  
14 **EFFECT?**

15 A. The process to change from Kentucky Power's current bill format to the new bill  
16 format will take 8-10 weeks to complete. Changing the bill format requires that  
17 the Company make programming changes to current software and install new  
18 printers. In addition, testing is required to troubleshoot and correct any issues  
19 relating to the new bill format. If the changes cannot be implemented  
20 concurrently with the changes by other AEP operating companies, the 8-10 week  
21 implementation process for Kentucky Power cannot begin until after the changes  
22 for the other operating companies are complete in December 2017.

23

1 Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

2 A. Yes.

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF KENTUCKY POWER COMPANY )  
FOR (1) APPROVAL OF ITS REVISED TERMS AND CONDITIONS )  
OF SERVICE IMPLEMENTING NEW BILL FORMATS; (2) AN )  
ORDER GRANTING ALL OTHER REQUIRED APPROVALS AND )  
RELIEF )  
CASE NO.  
2017-00231

ORDER

On June 02, 2017, the Commission received Kentucky Power Company's notice of election of use of electronic filing procedures to file an application in the above case. The notice has been assigned Case No. 2017-00231.

The Commission, on its own motion, HEREBY ORDERS that:

1. All future correspondence or filings in connection with this case shall reference the above case number.
2. All documents submitted in this proceeding shall comply with the Commission's rules of procedure as set forth in 807 KAR 5:001 and any deviation from these rules shall be submitted in writing to the Commission for consideration.
3. Any party filing a paper shall upload an electronic version using the Commission's E-Filing System and shall file an original and six copies in paper medium, except that only two copies in paper medium shall be filed of maps, plans, specifications, and drawings pursuant to 807 KAR 5:001, Section 15(2)(d).
4. Any request for confidential treatment of material submitted shall conform to the requirements in 807 KAR 5:001(13).
5. Materials submitted to the Commission which do not comply with the rules of procedure or that do not have an approved deviation are subject to rejection pursuant to 807 KAR 5:001, Section 3.

By the Commission

ENTERED  
JUN 02 2017  
KENTUCKY PUBLIC  
SERVICE COMMISSION

ATTEST:

*Jalina R. Mathews*

Executive Director

Case No. 2017-00231

\*Kentucky Power Company  
855 Central Avenue, Suite 200  
Ashland, KY 41101

\*Kentucky Power Company  
Kentucky Power Company  
855 Central Avenue, Suite 200  
Ashland, KY 41101

\*Kenneth J Gish, Jr.  
Stites & Harbison  
250 West Main Street, Suite 2300  
Lexington, KENTUCKY 40507

\*Honorable Mark R Overstreet  
Attorney at Law  
Stites & Harbison  
421 West Main Street  
P. O. Box 634  
Frankfort, KENTUCKY 40602-0634

**RECEIVED**

Notice of Election to Use Electronic Filing Procedures

Revised June 2014

JUN 2 2017

**NOTICE OF ELECTION OF USE OF ELECTRONIC FILING PROCEDURES**

(Complete All Shaded Areas and Check Applicable Boxes)

PUBLIC SERVICE  
COMMISSION

In accordance with 807 KAR 5:001, Section 8, Kentucky Power Company gives notice of its intent to file an application for (Please see attached case style.) with the Public Service Commission no later than June 16, 2017 and to use the electronic filing procedures set forth in that regulation.

Kentucky Power Company further states that:

- |  | Yes                                 | No                       |
|--|-------------------------------------|--------------------------|
| 1. It requests that the Public Service Commission assign a case number to the intended application and advise it of that number as soon as possible;   | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 2. It or its authorized representatives have registered with the Public Service Commission and are authorized to make electronic filings with the Public Service Commission;   | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 3. Neither it nor its authorized representatives have registered with the Public Service Commission for authorization to make electronic filings but will do so no later than seven days before the date of its filing of its application for rate adjustment; | <input type="checkbox"/> N/A        | <input type="checkbox"/> |
| 4. It or its authorized agents possess the facilities to receive electronic transmissions;   | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 5. The following persons are authorized to make filings on its behalf and to receive electronic service of Public Service Commission orders and any pleadings filed by any party or the Public Service Commission Staff:                                       |                                     |                          |

Name	Electronic Mail Address
Kentucky Power Company	kentucky_regulatory_services@aep.com
Mark R. Overstreet	moverstreet@stites.com
Kenneth J. Gish, Jr.	kgish@stites.com

6. It and its authorized representatives listed above have read and understand the procedures for electronic filing set forth in 807 KAR 5:001 and will fully comply with those procedures unless the Public Service Commission directs otherwise.

Signed

Name: Mark R. OverstreetTitle: Counsel for Kentucky Power CompanyAddress: P.O. Box 634Frankfort, Kentucky 40602-0634Telephone Number: (502) 223-3477

In the Matter of:

Electronic Application Of Kentucky Power )  
Company For (1) Approval Of Its Revised Terms )  
And Conditions Of Service Implementing New Bill ) Case No. 2017-00**231**  
Formats; (2) An Order Granting All Other )  
Required Approvals And Relief )

\*Elizabeth Sekula  
American Electric Power Service Corporation  
1 Riverside Plaza, 29th Floor  
Post Office Box 16631  
Columbus, OHIO 43216

\*Kentucky Power Company  
Kentucky Power Company  
855 Central Avenue, Suite 200  
Ashland, KY 41101

\*Ranie Wohnhas  
Managing Director  
Kentucky Power Company  
855 Central Avenue Suite 200  
Ashland, KENTUCKY 41101

\*Hector Garcia  
American Electric Power Service Corporation  
1 Riverside Plaza, 29th Floor  
Post Office Box 16631  
Columbus, OHIO 43216

\*Kenneth J Gish, Jr.  
Stites & Harbison  
250 West Main Street, Suite 2300  
Lexington, KENTUCKY 40507

\*Jody M Kyler Cohn  
Boehm, Kurtz & Lowry  
36 East Seventh Street  
Suite 1510  
Cincinnati, OHIO 45202

\*Katie M Glass  
Stites & Harbison  
421 West Main Street  
P. O. Box 634  
Frankfort, KENTUCKY 40602-0634

\*Justin M. McNeil  
Office of the Attorney General Office of Rate  
700 Capitol Avenue  
Suite 20  
Frankfort, KENTUCKY 40601-8204

\*Larry Cook  
Assistant Attorney General  
Office of the Attorney General Office of Rate  
700 Capitol Avenue  
Suite 20  
Frankfort, KENTUCKY 40601-8204

\*Honorable Kurt J Boehm  
Attorney at Law  
Boehm, Kurtz & Lowry  
36 East Seventh Street  
Suite 1510  
Cincinnati, OHIO 45202

\*Honorable Michael L Kurtz  
Attorney at Law  
Boehm, Kurtz & Lowry  
36 East Seventh Street  
Suite 1510  
Cincinnati, OHIO 45202

\*Kent Chandler  
Assistant Attorney General  
Office of the Attorney General Office of Rate  
700 Capitol Avenue  
Suite 20  
Frankfort, KENTUCKY 40601-8204

\*Honorable Mark R Overstreet  
Attorney at Law  
Stites & Harbison  
421 West Main Street  
P. O. Box 634  
Frankfort, KENTUCKY 40602-0634

\*Kentucky Power Company  
855 Central Avenue, Suite 200  
Ashland, KY 41101

\*Rebecca W Goodman  
Assistant Attorney General  
Office of the Attorney General Office of Rate  
700 Capitol Avenue  
Suite 20  
Frankfort, KENTUCKY 40601-8204